



April 30, 2024

**Tenth Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Stateview Homes (Minu Towns) Inc.,
Stateview Homes (Nao Towns) Inc.,
Stateview Homes (Nao Towns II) Inc.,
Stateview Homes (On the Mark) Inc.,
TLSFD Taurasi Holdings Corp.,
Stateview Homes (High Crown Estates) Inc.,
Highview Building Corp Inc.,
Stateview Homes (BEA Towns) Inc., and
Stateview Homes (Elm&Co) Inc.**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION
APPLICANT

- AND -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**
RESPONDENTS

DORR CAPITAL CORPORATION

APPLICANT

- AND -

STATEVIEW HOMES (BEA TOWNS) INC. AND HIGHVIEW BUILDING CORP INC.
RESPONDENTS

**ATRIUM MORTGAGE INVESTMENT CORPORATION AND DORR
CAPITAL CORPORATION**

APPLICANT

- AND -

**STATEVIEW HOMES (NAO TOWNS II) INC., DINO TAURASI AND
CARLO TAURASI**
RESPONDENTS

MERIDIAN CREDIT UNION

APPLICANT

- AND -

STATEVIEW HOMES (ELM&CO) INC.

RESPONDENTS

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**TENTH REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER**

APRIL 30, 2024

1.0 Introduction

1. The Ontario Superior Court of Justice (the “Court”) issued separate receivership orders on May 2, 2023 (the “May 2nd Receivership Orders”) appointing KSV Restructuring Inc. (“KSV”) as the receiver and manager (the “Receiver¹”) of the property, assets and undertaking owned by the following entities in the Stateview Group of Companies (the “Stateview Group”), including their real property:
 - a) Stateview Homes (Nao Towns II) Inc. (“Nao Phase II”), pursuant to an action commenced by Atrium Mortgage Corporation (“Atrium”) and Dorr Capital Corporation (“Dorr”);
 - b) Stateview Homes (BEA Towns) Inc. (“BEA”) pursuant to an application commenced by Dorr;
 - c) Highview Building Corp Inc. (“Highview”), pursuant to an application commenced by Dorr; and
 - d) Stateview Homes (Nao Towns) Inc. (“Nao Phase I”), Stateview Homes (Minu Towns) Inc. (“Minu”), Stateview Homes (High Crown Estates) Inc. (“High Crown”), Stateview Homes (On the Mark) Inc. (“On the Mark”) and TLSFD Taurasi Holdings Corp. (“Taurasi Holdings”), pursuant to an application commenced by KingSett Mortgage Corporation (“KingSett”) and Dorr.

¹ Includes KSV’s role as receiver and manager of Elm, as defined below.

2. On May 18, 2023, the Court issued an order (the “May 18th Receivership Order” and together with the May 2nd Receivership Orders, the “Receivership Orders”) appointing KSV as Receiver of the property, assets and undertaking of Stateview Homes (Elm&Co) Inc. (“Elm”), including its real property, pursuant to an application by Meridian Credit Union Limited (“Meridian” and together with Atrium, Dorr, and KingSett, the “Mortgagees”).
3. Herein the entities subject to the Receivership Orders are collectively referred to as the “Receivership Companies”, the property owned by each of the Receivership Companies is referred to as the “Property”, the real property owned by each of the Receivership Companies is referred to as a “Real Property”, and collectively, all of the real properties are referred to as the “Real Properties”.

1.1 Purposes of this Report

1. This Tenth Report to the Court (the “Report”) is submitted for the Court’s assistance on the threshold motion (the “Threshold Motion”) scheduled for May 16, 2024.
2. As set out in more detail below, the purpose of the Threshold Motion is to determine whether the proposed class action representative plaintiff (the “Representative Plaintiff”) can legally assert any recourse in relation to funds distributed pursuant to the court order granted November 16, 2023 (the “Distribution Order”).

1.2 Restrictions

1. In preparing this Report, the Receiver has relied upon: (i) discussions with the Stateview Group’s management; (ii) the Receivership Companies’ unaudited financial information; (iii) information provided by the Mortgagees; (iv) discussions with various stakeholders in these proceedings (including their legal representatives); (v) discussions with BDO Canada Limited, in its capacity as the court-appointed information officer in connection with the TD Settlement Agreement; (vi) the Stateview Group’s external legal counsel, Norton Rose Fulbright Canada LLP and (vii) the application materials (collectively, the “Information”).
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards (“CAS”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Report by any party.
3. Additional background information regarding the Receivership Companies and the reasons for the appointment of the Receiver are provided in the respective application materials of the Mortgagees. Copies of the Court materials filed to-date in these proceedings are available on the [Receiver’s website](#) (the “Website”). The Website also includes information for homebuyers who purchased homes from the Receivership Companies, including an explanation of the deposit insurance coverage provided by Tarion (as defined below).

2.0 Background

2.1 The Stateview Group

1. The Stateview Group is a real estate developer with its head office in Vaughan, Ontario. The Stateview Group has been in business since 2010 and primarily develops low-rise residential projects in Southern Ontario. Several Stateview Group companies are not subject to receivership proceedings (the “Non-Receivership Companies”).

2.2 The Receivership Companies

1. Each of the Receivership Companies is a single-purpose real estate development company that owned a specific project (each a “Project”, and collectively the “Projects”), except for Taurasi Holdings, which owned four industrial properties. The Projects are located in Southern Ontario.
2. Each of the Receivership Companies, except for Taurasi Holdings, conducted their respective Project as a pre-construction residential developmental project wherein purchasers (the “Homebuyer”) entered into pre-sale purchase agreements (the “Homebuyer Agreements”). As a general condition to entering into a Homebuyer Agreement, the Homebuyer was required to pay one or more deposits (each a “Deposit” and collectively, the “Deposits”) to the Receivership Company developing the applicable Project.
3. Each Homebuyer Agreement indicates that the common elements portion of the Homebuyer Agreement is ascribed a value of \$2. There is no other value ascribed to the common elements on the face of the Homebuyer Agreements, in the records of the Projects, or before the Court as to any other or additional value to the common elements portion of the Homebuyer Agreements.
4. Each Homebuyer Agreement further states that no portion of the Deposit is attributable to the common elements.

2.3 Sales Process²

1. As set out in greater detail in the Sixth Report to Court of the Receiver dated November 8, 2023 (the “Sixth Report”), the Receiver carried out a sale and marketing process for the Property of each of Minu and High Crown (each, a “Sale Process”, and together, the “Sale Processes”), pursuant to an Order dated June 5, 2023. A copy of the Sixth Report (without appendices) is attached hereto as Appendix “A”.

² As set out in detail in prior reports to the Court prepared by the Receiver in connection with these proceedings (the “Prior Reports”), the Receiver has conducted sales processes in respect of certain of the other Receivership Companies which are not discussed in this Report. The Prior Reports are accessible at the Website.

2. In each case, the Sale Process was conducted from mid June 2023 to July 2023 and resulted in the Receiver identifying an offer contemplated in an amended and restated agreement of purchase and sale (“APS”) between Delton Acquisitions Inc. (“Delton”) and the Receiver as being the value maximizing transaction (each, a “Transaction”, and collectively, the “Transactions”). Each APS was conditional on, among other things: (i) the Court issuing an approval and vesting order in respect of the Transaction; and (ii) Delton obtaining financing on terms and conditions acceptable to Delton, which financing was arranged with KingSett and was conditional upon, among other things, the Tarion Priority Motion (as defined below) being dismissed.

2.4 The AVOs & Distribution Order

1. In connection with the Transactions and the Sale Process, the Receiver brought a motion (the “Sale Approval and Distribution Motion”), returnable on November 16, 2023, for, among other things: (i) an order approving the Minu Transaction (the “Minu AVO”); (ii) an order approving the High Crown Transaction (the “High Crown AVO” and together with the Minu AVO, the “November 16 AVOs”); and (iii) the Distribution Order, authorizing and directing the Receiver to make certain distributions from the proceeds of the Transactions.
2. On November 8, 2023, the Receiver served its motion materials for its Sale Approval and Distribution Motion, returnable November 16, 2023, by email on the service list maintained in the proceedings (the “Service List”). Two contacts from Sotos LLP, as counsel to the Representative Plaintiff, were listed on the Service List and were served with a copy of the Receiver’s motion materials. A copy of the service email from November 8, 2023 is attached hereto as Appendix “B”.
3. On November 10, 2023, the Receiver served a factum in connection with the Sale Approval and Distribution Motion by email upon the Service List, including counsel for the Representative Plaintiff, although they did not attend. A copy of the service email from November 10, 2023 is attached hereto as Appendix “C”. A copy of the participation information form for the Sale Approval and Distribution Motion hearing is attached as Appendix “D”.
4. In paragraph 8.3.3 of the Sixth Report of the Receiver, attached hereto as Appendix “A”, served in connection with the Sale Approval and Distribution Motion, the Receiver stated that:

...if applicable, in the event that the Project Transactions and the smaller additional priority issues raised in the Proposed Class Action remains unresolved, the Receiver will reserve appropriate amounts from the net purchase proceeds, on agreement of the affected creditors or on further order of the Court.

5. Following the hearing of the Sale Approval and Distribution Motion, on November 16, 2023, the Court granted the Distribution Order. The Distribution Order, among other things, (i) authorized and directed the Receiver to make certain distributions from the proceeds of the Transactions; and (ii) ordered that “each of the payments and distributions provided for in this [Distribution] Order shall be made free and clear of all [...] trusts or deemed trusts (whether contractual, statutory or otherwise)...” (the “Free and Clear Provision”).
6. The Court also provided an endorsement in respect of the Distribution Order that stated, among other things:

[21] Further, the Receiver intends to work with Tarion Warranty Corporation to assist with the deposit claims process for the [Homebuyers] in respect of the termination and disclaimer of their agreements. Mr Yailaqi, who appears today for some of those [Homebuyers], agrees with this and with the fact that the rights of those Purchasers will be affected by the Tarion Priority Motion now under reserve by Steele J.

....

[25] The proposed reserves, holdback payments and distributions are set out in detail in the Sixth Report. Depending on the result in the Tarion Priority Motion, certain reserves or holdbacks may also be required to address certain additional priority claims asserted in the Proposed Class Action as described in the Sixth Report.

7. Also on November 16, 2023, the Court granted the November 16 AVOs, among other things: (i) approving the Transactions and (ii) authorizing and directing the Receiver, on or prior to closing of the Transactions, to terminate and disclaim the Homebuyer Agreements with respect to the applicable Projects.
8. On November 17, 2023, the Receiver circulated issued copies of the Distribution Order and the November 16 AVOs to the Service List, including counsel to the Representative Plaintiff. The Receiver was not informed by any party that they disputed or intended to appeal the terms of the relief granted in the Distribution Order or the November 16 AVOs. A copy of the service email from November 17, 2023 is attached hereto as Appendix “E”.
9. The Tarion Priority Motion was dismissed on December 22, 2023.
10. On or about January 2, 2024, Tarion (as defined below) advised the Receiver that Tarion would not be appealing the dismissal of the Tarion Priority Motion, and the statutory appeal period expired.
11. The Receiver did not receive any communications from the Representative Plaintiff or counsel thereto regarding reserves or holdbacks at that time.

12. On or about January 19, 2024, counsel for the Receiver held a without prejudice video conference with counsel for the Representative Plaintiff to address various matters relating to the Proposed Class Action (as defined below). At that time, counsel confirmed the Receiver's ongoing intention to distribute proceeds without reserves or holdbacks for claims relating to the Proposed Class Action. Among other things, it was (and is) the Receiver's view that:
 - a. The dismissal of the Tarion Priority Motion necessarily barred priority deemed trust or other trust claims against the estate on behalf of Homebuyers for their deposits; and
 - b. There was in any event no evidentiary or rational basis from which a reserve or holdback could be established.
13. On or about January 23, 2024, counsel for the Receiver re-confirmed this intention in writing stating:

It is the Receiver's view that in light of Justice Steele's decision of December 22, there is no scenario in which your clients can achieve priority over the secured creditors, and therefore have any entitlement to the current and future proceeds of the estate. As a result, and as advised on the call, the Receiver intends to proceed with the distribution of proceeds of realization as they arise, including those now existing, and without regard to your clients' claims.

A copy of the email is attached as Appendix "F".
14. The Representative Plaintiff took no steps to schedule a motion or otherwise initiate proceedings to object to distributions.
15. On or about January 26, 2024, the Transaction in respect of each of Minu and High Crown closed without holdbacks or reserves for the Proposed Class Action.
16. On or about January 29, 2024, counsel for the Proposed Class sent a letter disputing the Receiver's position and requesting that the Receiver continue to hold the proceeds pending resolution of the Proposed Class Action. A copy of the letter dated January 29, 2024 is attached as Appendix "G".
17. On or about February 16, 2024, the Receiver confirmed to counsel for the Proposed Class that, as contemplated by its email of January 23, 2024, the Receiver had previously proceeded with all previously authorized distributions without holdback or reserve for the Proposed Class Action claims. A copy of the email of February 16, 2024 is attached as Appendix "H".

2.5 The Tarion Priority Motion³

1. Tarion Warranty Corporation (“Tarion”) is a private not-for-profit corporation established in 1976 to protect the rights of new home purchaser and owners in Ontario and is designated by the Province of Ontario to administer the *Ontario New Home Warranties Plan Act* (the “ONHWPA”) and the regulations thereunder. Under the ONHWPA, among other things, Tarion is obligated to provide a warranty to home purchasers of new freehold homes up to \$100,000 where the home purchaser is entitled to a refund of its deposit and is unable to obtain recourse from the vendor within the prescribed time periods.
2. In light of the financial circumstances of the Receivership Companies and the corresponding inability to complete the Projects and fulfill their obligations under the respective Homebuyer Agreements, a substantial number of Homebuyers have submitted, or intend to submit, claims to Tarion under the warranty program.
3. As a result of the foregoing, Tarion brought a motion in the receivership proceedings for the subrogated claim of the Homebuyers seeking a declaration that the Deposits were subject to a statutory, express, implied, and/or constructive trust and, as security therefore, Tarion, or in the alternative the Homebuyers, were entitled to a priority over the assets, properties and undertakings of the Receivership Companies (the “Tarion Priority Motion”). On the Tarion Priority Motion, Tarion did not dispute that it was obligated to satisfy the warranty claims of the Homebuyers if, in respect of any claim, it determined the claim to be valid following its independent analysis (and if the Deposits are not recoverable through an alternative means); rather, Tarion indicated that it accepted its liability to satisfy the Homebuyers’ claims which Tarion determined to be valid.
4. A hearing on the Tarion Priority Motion was held on November 2, 2023 and, on December 22, 2023, Justice Steele issued an endorsement dismissing the Tarion Priority Motion (the “Steele Endorsement”). The Steele Endorsement was not appealed and the statutory window for an appeal has passed.

³ The following is solely intended to provide a cursory overview of the Tarion Priority Motion. For additional details on the Tarion Priority Motion, parties are encouraged to review the Fifth Report of the Receiver dated October 2, 2023.

3.0 The Proposed Class Action

3.1 Background

1. On September 29, 2023, the Receiver received a copy of a Statement of Claim issued on September 28, 2023 by Dharmi Mehta, as the proposed representative plaintiff of the Proposed Class⁴ (the “Mehta SOC”). The proposed class action (the “Proposed Class Action”) commenced by the Mehta SOC makes claims against certain of the Receivership Companies, including Highview, BEA, Nao Phase I, Nao Phase II, High Crown, On the Mark and Elm (collectively, the “Stateview Defendants”)⁵.
2. The Mehta SOC was issued in breach of the stay of proceedings pursuant to the Receivership Orders.
3. The Mehta SOC seeks, among other things:
 - a. an order certifying the Proposed Class Action and appointing Mehta as representative plaintiff of the Proposed Class; and
 - b. a declaration that members of the Proposed Class are the beneficial owners of the Deposits under (i) a statutory trust pursuant to s. 78(1)(3) and/or s. 81 of the *Condominium Act, 1998*, S.O. 1998, c. 19 (the “Condominium Act”); and/or (ii) a resulting trust and/or constructive trust in accordance with the Condominium Act, common law and principles of equity.

A copy of the Mehta SOC (without exhibits) is attached at Appendix “I”.

4. The relief sought in the Mehta SOC is substantially similar to the relief that was sought in the Tarion Priority Motion with respect to the imposition of a resulting and/or constructive trust over the Deposits. As set out above, the merits of those claims were argued before the Court in the Tarion Priority Motion and were dismissed by the Steele Endorsement.
5. In light of the adjudication of those issues, the sole trust claim asserted in the Mehta SOC remaining to be determined relates to the common elements portion of the Homebuyer Agreements, which the Homebuyer Agreements ascribed a value of \$2 to and stated that none of the Deposit was attributable to.

⁴ The “Proposed Class” is defined in the Mehta SOC to include all Homebuyers who entered into a Homebuyer Agreement with one or more of the Stateview Defendants for pre-construction residential units and/or an undivided share in the common elements of a common elements condominium corporation and paid deposits to one or more of the Stateview Defendants in furtherance of their Homebuyer Agreements.

⁵ The Receiver is aware that the Proposed Class has since withdrawn its claim against Nao Phase I.

3.2 History of Threshold Motion

1. On February 8, 2024, the Receiver brought a sale approval and distribution motion, returnable on February 15, 2024, relating to a proposed transaction in respect of Nao Phase II (the “Nao II Transaction”). The proposed relief in the Receiver’s motion did not provide for a holdback or reserve to the benefit of the Proposed Class.
2. On February 9, 2024, the Representative Plaintiff brought a cross-motion seeking an order directing the Receiver to maintain a holdback from the distribution of the proceeds of the Nao II Transaction in an amount equal to 20% of Deposits paid by the Homebuyers in respect of the Nao Phase II Project. Pursuant to the cross-motion the Representative Plaintiff also seeks an order requiring the Receiver to value the alleged trust property (the CEC) and to trace all deposit monies. A copy of the Notice of Cross-Motion is attached as Appendix “J”.
3. On February 15, 2024, Justice Black issued an order and endorsement dated February 15, 2024, (i) approving the Nao II Transaction, (ii) authorizing and directing the Receiver to make distributions of the proceeds, subject to the establishment of an additional holdback of \$1,523,000 (equating to 20% of the Deposits paid by the Homebuyers) for the benefit of the Proposed Class and (iii) directing the parties to return to make further submissions on the appropriate quantum of the holdback to be established from the proceeds of the Nao II Transaction. A copy of the order and endorsement of February 15, 2024 is attached as Appendix “K”.
4. On March 5, 2024, following a return appearance before Justice Black, His Honour issued an endorsement dated March 5, 2024. Pursuant to the endorsement: (i) the holdback for the benefit of the Proposed Class was reduced to \$37,191.65, being the maximum shortfall of Homebuyer claims upon their Deposits (following payment by Tarion of the amounts due to the Homebuyers pursuant to the ONHWPA warranty program); and (ii) the parties were directed to schedule a further case conference to address the scheduling of the Proposed Class Action. A copy of the endorsement of March 5, 2024 is attached as Appendix “L”.
5. Following the issuance of Justice Black’s March 5, 2024 endorsement, counsel for the Proposed Class advised that they objected to the proposed form of Order being sought by the Receiver’s counsel. Specifically, class counsel advised that it objected to the Free and Clear Provision sought as part of the order arising from Justice Black’s endorsement. Rather, counsel took the position that notwithstanding Justice Black’s decision, the Proposed Class should still be able to pursue those funds being distributed to the secured creditor under the order.
6. Counsel could not settle the form of the order and, ultimately, Justice Black issued a supplementary endorsement confirming that the Free and Clear Provision must be included in the March 5th Order in respect of Nao Phase II. A copy of Justice Black’s supplementary endorsement dated March 12, 2024 is attached as Appendix “M” and a copy of the March 5th Order in respect of Nao Phase II is attached as Appendix “N”.
7. The Representative Plaintiff served an untimely appeal of the March 5th Order and brought a motion for the extension of time for the appeal.

8. On March 14, 2024, the parties reappeared before Justice Black for a case conference. At the case conference, counsel for the Proposed Class requested that the Receiver take extensive steps related to the valuation of the claim of the Proposed Class. Upon request of the Receiver and the consent of the other parties, the Court granted an adjournment to allow the Receiver time to consider its position on the valuation request of the Proposed Class. The Receiver also advised that it may be required to bring a security for costs motion as a result of such request.
9. The parties held another case conference on April 2, 2024, where the Receiver advised the Court that it intended to: (i) bring a motion for security for costs and (ii) bring the Threshold Motion for a threshold determination as to whether the Proposed Class should be permitted to pursue its motion against those estates in which funds have already been distributed pursuant to a distribution order containing the Free and Clear Provision.
10. On April 9, 2024, Justice Black issued an endorsement, among other things, supporting the adjudication of the Threshold Motion prior to the hearing on the Proposed Class Action and directing the parties to discuss and agree on a timetable for the Threshold Motion. Among other things, Justice Black stated that:

[17] I also see the benefit in the Threshold Motion being adjudicated on its own, before the hearing of the Full Motion.

[18] The outcome of the Threshold Motion will clarify and potentially streamline the issues to be addressed at the Full Motion. It will likely determine the number of parties (at least in terms of estates) properly the subject of the Full Motion, and, inasmuch as the court will necessarily determine the full effect of the Free and Clear Provisions, it will narrow and inform the argument at the Full Motion on that important issue as well.

[19] I am also persuaded that the potential savings of time and resources to the Receiver and two or more of the estates at issue, justifies addressing the Threshold Motion as an initial matter.

A copy of the endorsement of April 9 is attached as Appendix "O".

3.3 Threshold Motion

1. Pursuant to the Threshold Motion, the Receiver seeks adjudication of whether the Proposed Class may pursue a motion against certain estates of the Stateview Defendants where such estates have distributed funds pursuant to an Order of the Court containing the Free and Clear Provision. The Threshold Motion primarily relates to Minu and High Crown.
2. As a result of the Receiver's closing of the Minu and High Crown Transactions in accordance with the November 16 AVOs and the Distribution Order, without reserves or holdback for the Proposed Class Action, the estate of Minu and High Crown have no remaining means to satisfy the claims of the Proposed Class, if successful.

3. Notwithstanding these circumstances the Representative Plaintiff seeks to hold the Receiver and KingSett personally liable for extensive investigation, litigation costs and any trust claims arising therefrom.

3.4 Receiver's Recommendation

1. The issues of the Threshold Motion are ones of legal principle. Accordingly, the Receiver's detailed position will be more fully set out in its factum on the motion.
2. In brief, however, the Receiver recommends that the Court find in favour of the Receiver on the Threshold Motion and bar the continuation of the Proposed Class Action as against Minu and High Crown, as well as any of the other Stateview Defendants that made distributions in accordance with an Order of the Court containing the Free and Clear Provision, for the following reasons:
 - a. the distributions were made in accordance with a Court Order, which the Receiver, as a Court-appointed officer, must be permitted to rely upon;
 - b. counsel for the Proposed Class received copies of the Receiver's motion materials for the Distribution Order, including draft copies thereof, on November 8, 2023 and notice of the issuance of the Distribution Order on November 17, 2024. At neither time did counsel for the Proposed Class object to the inclusion of the Free and Clear Provision or indicate to counsel for the Receiver that it had any issues with the relief sought in the Distribution Order; and
 - c. counsel for the Proposed Class was further notified by counsel for the Receiver on January 23, 2024, as a courtesy, of the Receiver's intention to make distributions in accordance with the Distribution Order. Counsel for the Proposed Class did not convey its opposition to the proposed distribution until January 29, 2024, at which time the relevant funds had already been distributed.

4.0 Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court find in favour of the Receiver on the Threshold Motion.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
STATEVIEW HOMES (MINU TOWNS) INC.,
STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (ON THE MARK) INC.,
TLSFD TAURASI HOLDINGS CORP., STATEVIEW HOMES (HIGH CROWN ESTATES) INC.,
STATEVIEW HOMES (BEA TOWNS) INC., HIGHVIEW BUILDING CORP INC.,
STATEVIEW HOMES (NAO TOWNS II) INC. AND STATEVIEW HOMES (ELM&CO) INC.
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “A”



**Sixth Report to Court of
KSV Restructuring Inc.
as Receiver and Manager of
Stateview Homes (Minu Towns) Inc.,
Stateview Homes (Nao Towns) Inc.,
Stateview Homes (On the Mark) Inc.,
TLSFD Taurasi Holdings Corp. and
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November 8, 2023

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COURT FILE NUMBER: CV-23-00698576-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N:

KINGSETT MORTGAGE CORPORATION AND DORR CAPITAL CORPORATION

APPLICANT

- AND -

**STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS)
INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS
CORP. AND STATEVIEW HOMES (HIGH CROWN ESTATES) INC.**

RESPONDENTS

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS AMENDED**

**SIXTH REPORT OF
KSV RESTRUCTURING INC.
AS RECEIVER AND MANAGER**

NOVEMBER 8, 2023

1. Introduction

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the “Court”) made on May 2, 2023 (the “Receivership Order”), KSV Restructuring Inc. (“KSV”) was appointed receiver and manager (the “Receiver”) of the property, assets and undertaking owned by Stateview Homes (Nao Towns) Inc. (“Nao”), Stateview Homes (Minu Towns) Inc. (“Minu”), Stateview Homes (High Crown Estates) Inc. (“High Crown”), Stateview Homes (On the Mark) Inc. (“On the Mark”) and TLSFD Taurasi Holdings Corp. (“Taurasi Holdings”), including their real property. A copy of the Receivership Order is attached as Appendix “A”.
2. Pursuant to three additional orders granted by the Court on May 2, 2023, and an order granted by the Court on May 18, 2023, KSV was also appointed receiver and manager of certain other companies within the Stateview group of companies (the “Stateview Group”).
3. Herein the entities subject to the aforementioned receivership proceedings are collectively referred to as the “Stateview Receivership Companies”.

4. This report (the “Sixth Report”) is filed by KSV in its capacity as Receiver and deals with the Receiver’s recommendation in respect of the sale of the property owned by Taurasi Holdings, High Crown, Nao and Minu (collectively, the “Companies”). The property owned by each of the Companies is referred to as the “Property” and the real property owned by each of the Companies is referred to as a “Real Property” (and collectively, all of the real properties are referred to as the “Real Properties”).
5. Each of the Companies is a single-purpose real estate development company that owns a specific real estate project (each a “Project”, and collectively the “Projects”), except for Taurasi Holdings which owns four industrial properties.
6. Pursuant to an order of the Court dated June 5, 2023, the Court issued an order (the “Sale Process Order”) approving a sale process (the “Sale Process”) for the Property of certain entities within the Stateview Group, including each of the Companies.

1.1 Purposes of this Report¹

1. The purposes of this Sixth Report are to:
 - a) provide background information about the Property owned by each of the Companies;
 - b) summarize the results of the Sale Process in respect of the Property owned by each of the Companies;
 - c) provide an update with respect to certain priority claims asserted against the property of certain of the Stateview Receivership Companies in connection with homebuyer deposits paid to the Stateview Receivership Companies;
 - d) summarize the following proposed transactions:
 - i. a transaction in respect of certain of the Taurasi Holdings’ Property (the “TLSFD Transaction”) between the Receiver and KingSett Real Estate Growth LP No. 8, by its general partner, KingSett Real Estate Growth GP No. 8 Inc., (“KingSett REG LP” or the “TLSFD Purchaser”) pursuant to an agreement of purchase and sale dated October 18, 2023 (the “TLSFD APS”), which contemplates a sale of substantially all of the Property of Taurasi Holdings other than the Oster Property (as defined below);
 - ii. a transaction in respect of the High Crown Property (the “High Crown Transaction”) between the Receiver and Delton Acquisitions Inc. (“Delton”) pursuant to an amended and restated agreement of purchase and sale dated October 19, 2023 (as amended, the “High Crown APS”), which contemplates a sale of substantially all of the Property of High Crown;

¹ All capitalized terms not defined in this Section have the meanings provided to them in the Sections below.

- iii. a transaction in respect of the Nao Property (the “Nao Transaction”) between the Receiver and Delton, pursuant to an amended and restated agreement of purchase and sale dated October 19, 2023 (as amended, the “Nao APS”), which contemplates a sale of substantially all of the Property of Nao; and
 - iv. a transaction in respect of the Minu Property (the “Minu Transaction” and together with the High Crown Transaction and Nao Transaction, the “Project Transactions”) between the Receiver and Delton, pursuant to an amended and restated agreement of purchase and sale dated October 19, 2023 (as amended, the “Minu APS”, and together with the High Crown APS and Nao APS, the “Project APSs”), which contemplates a sale of substantially all of the Property of Minu;

(the TLSFD Transaction and the Project Transactions are collectively referred to herein as the “Transactions”);
- e) discuss the amounts available for the establishment of certain reserves and for certain payments and distributions by the Receiver from the proceeds of the proposed Transactions;
 - f) recommend that this Court issue the following Orders:
 - i. an Approval and Vesting Order (“TLSFD AVO”), among other things:
 - approving the TLSFD Transaction;
 - following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed TLSFD AVO, transferring and vesting all of Taurasi Holdings’ right, title and interest in and to the TLSFD Purchased Assets (as defined in the TLSFD APS) in the TLSFD Purchaser, free and clear of all liens, charges, security interests and encumbrances, other than permitted encumbrances;
 - sealing the Offer Summary for the Taurasi Holdings’ Property attached at Confidential Appendix “1” until further order of the Court;
 - ii. an Approval and Vesting Order (“High Crown AVO”), among other things:
 - approving the High Crown Transaction;
 - following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed High Crown AVO, transferring and vesting all of High Crown’s right, title and interest in and to the High Crown Purchased Assets (as defined in the High Crown APS) in Delton, free and clear of all liens, charges, security interests and encumbrances, other than permitted encumbrances;
 - sealing the Offer Summary for the High Crown Project attached at Confidential Appendix “2” until the closing of the High Crown Transaction;

- iii. an Approval and Vesting Order (“Nao AVO”), among other things:
- approving the Nao Transaction;
 - following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed Nao AVO, transferring and vesting all of Nao’s right, title and interest in and to the Nao Purchased Assets (as defined in the Nao APS) in Delton, free and clear of all liens, charges, security interests and encumbrances, other than permitted encumbrances;
 - sealing the Offer Summary for the Nao Towns Project attached at Confidential Appendix “3” until the closing of the Nao Transaction;
- iv. an Approval and Vesting Order (“Minu AVO”, and together with the High Crown AVO and Nao AVO, the “Delton AVOs”), among other things:
- approving the Minu Transaction;
 - following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed Minu AVO, transferring and vesting all of Minu’s right, title and interest in and to the Minu Purchased Assets (as defined in the Minu APS) in Delton, free and clear of all liens, charges, security interests and encumbrances, other than permitted encumbrances;
 - sealing the Offer Summary for the Minu Project attached at Confidential Appendix “4” until the closing of the Minu Transaction;
- v. an Ancillary Matters and Distribution Order (the “Distribution Order”), among other things:
- authorizing and directing the Receiver to make certain payments and distributions and maintain certain reserves (as described and recommended below) from the purchase proceeds of each of the Transactions, as applicable, including one or more distributions to KingSett Mortgage Corporation (“KingSett”) and Dorr Capital Corporation (“Dorr”) in respect of its mortgage indebtedness owing from each of the Companies;
 - approving the fees and disbursements of the Receiver and Cassels, Brock & Blackwell LLP (“Cassels”), as detailed in the Fee Affidavits (as defined below);
 - approving the Receiver’s R&D (as defined below) and
 - approving this Sixth Report and the Receiver’s conduct and activities described herein.

1.2 Restrictions

1. In preparing this Sixth Report, the Receiver has relied upon: (i) the Companies' unaudited financial information; (ii) information provided by KingSett; (iii) discussions with various stakeholders in these proceedings (including their legal representatives); and (iv) the receivership application materials (collectively, the "Information").
2. The Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that complies with Canadian Auditing Standards ("CAS") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance as contemplated under the CAS in respect of the Information. Any party wishing to place reliance on the Information should perform its own diligence and the Receiver accepts no responsibility for any reliance placed on the Information in this Sixth Report by any party.
3. Additional background information regarding the Companies and the reasons for the appointment of the Receiver are provided in the application materials of KingSett. Copies of the Court materials filed to-date in these proceedings are available on the Receiver's case [Website](#).

2. Background

2.1 The Stateview Group

1. The Stateview Group is a real estate developer with its head office in Vaughan, Ontario. The Stateview Group has been in business since 2010 and primarily develops low-rise residential projects in Southern Ontario.
2. Several Stateview Group companies are not subject to receivership proceedings (the "Non-Receivership Companies"), including Stateview Construction Ltd. which provided administrative and management services to companies in the Stateview Group.
3. The Receiver understands that the Stateview Receivership Companies do not have any employees and that all employees involved with the Stateview Group are currently employed by one or more of the Non-Receivership Companies.
4. The principals of the Stateview Group are Carlo Taurasi, the Chief Executive Officer, and Dino Taurasi, the President (together, the "Taurasis").

2.2 Taurasi Holdings

1. Taurasi Holdings owns four industrial properties totalling approximately 115,900 square feet of leasable area which is currently 100% occupied (the "Industrial Properties"). The Industrial Properties are comprised of:
 - a) a property located at 6 & 8 Bradwick Drive, Vaughan, Ontario, with approximately 38,800 square feet of rentable area, which is currently fully occupied by four tenants (the "6 & 8 Bradwick Property");

- b) a property located at 301 Bradwick Drive, Vaughan, Ontario, with approximately 22,900 square feet of rentable area, which is currently fully occupied by one tenant (the “301 Bradwick Property”);
 - c) a property located at 448 North Rivermede, Vaughan, Ontario, with approximately 20,200 square feet of rentable area, which is currently fully occupied by one tenant (the “Rivermede Property, and together with the 6 & 8 Bradwick Property and 301 Bradwick Property, the “Bradwick & Rivermede Properties”); and
 - d) a property located at 596 Oster Lane, Vaughan, Ontario, with approximately 34,000 square feet of rentable area, which is currently fully occupied by three tenants (the “Oster Property”).
2. The Industrial Properties are managed by Argo Property Management Ltd. (“Argo”), a third-party property management company.
 3. At the commencement of these proceedings, the Receiver advised each of the tenants of the Industrial Properties (the “Tenants”) of the receivership and directed them to pay rent directly to the Receiver during these proceedings. The Industrial Properties generate approximately \$130,000 in monthly rent, including HST.

2.3 High Crown, Nao and Minu

1. Each of High Crown, Nao and Minu is a single-purpose real estate development company that owns a freehold townhome development project. The municipal address of each Project and its status as at the date of the Receivership Order is below:

Project	Real Property Address	Status
High Crown	13151 – 13161 Keele Street, King City	Under construction, approximately 30% complete
Nao	5112, 5122, 5248 14th Avenue, Markham	Partially serviced lot
Minu	9940 Ninth Line, Markham	Partially serviced lot

2. Since the commencement of these proceedings, development activity at the Project sites has been halted.
3. Each Project was marketed as a pre-construction residential developmental project wherein purchasers (the “Pre-Sale Purchasers”) entered into pre-sale purchase agreements (the “Pre-Sale Purchase Agreements”). The Pre-Sale Purchase Agreements were substantially similar for all of the Projects.

4. As a general condition to entering into a Pre-Sale Purchase Agreement, a Pre-Sale Purchaser was required to pay one or more deposits (each a “Homebuyer Deposit” and collectively, the “Homebuyer Deposits”) to the respective Stateview Group company developing the applicable Project. The Companies’ records reflect that the following Deposits were received for their respective Projects:

Project	Number of Pre-Sale Purchasers	Homebuyer Deposits (\$000’s)
High Crown	47	5,016
Nao	96	7,680
Minu	147	19,208

5. As of the date of the Receivership Order, all Homebuyer Deposits had been disbursed. However, the use of those funds has not yet been determined and the Receiver has not undertaken a tracing exercise.

3. Creditors

3.1 Secured Creditors

3.1.1 KingSett and Dorr

1. The Affidavit of Daniel Pollack sworn April 26, 2023 in support of the receivership application contains detailed information regarding the secured amounts owing to KingSett and Dorr from the Companies, and, accordingly, that detailed information is not repeated herein. A copy of Mr. Pollack’s Affidavit is available on the Receiver’s Website at the following [Link](#).
2. As at October 31, 2023, the Companies were indebted to KingSett or Dorr, as applicable, in the following amounts:
 - a) Taurasi Holdings – approximately \$32,046,935 (interest and costs continue to accrue) owing to KingSett (the “Taurasi Holdings Indebtedness”);
 - b) High Crown – approximately \$27,154,725 (interest and costs continue to accrue) owing to Dorr (the “High Crown Indebtedness”);
 - c) Nao – approximately \$24,302,743 (interest and costs continue to accrue) owing to KingSett in respect of its Nao first mortgage loans (the “Nao Indebtedness”);
 - d) Minu – approximately \$51,547,246 (interest and costs continue to accrue) owing to KingSett in respect of its Minu first mortgage loans (the “Minu Indebtedness”); and
 - e) Nao/Minu - approximately \$35,880,120 (interest and costs continue to accrue) owing to KingSett in respect of its Nao/Minu second mortgage loans (the “Nao/Minu Indebtedness”).

3. The Receiver understands that:
- a) KingSett's security in respect of each of the Companies (other than High Crown) consists of, among other things, (i) general security agreements delivered by such Companies to KingSett (granting a security interest and lien against each such Companies' personal property situated on, used in connection with or derived from each of the Real Properties of such Companies) and (ii) first and second mortgages/charges and general assignment of rents and leases registered against title to each of the Real Properties of such Companies (collectively, all KingSett loan and security documents with respect to each of such Companies are referred to herein as the "KingSett Mortgage Loan Security Documents");
 - b) the KingSett Mortgage Loan Security Documents include (i) first mortgages on the Real Property of each of Nao and Minu securing KingSett's first mortgage loans to each of Nao and Minu, (ii) second mortgages/charges on the Minu Real Property securing KingSett's second mortgage loan to Nao and (iii) second mortgage/charges on the Nao Real Property securing KingSett's second mortgage loan to Nao and cross-collateralized security for KingSett's second mortgage loan to Minu;
 - c) Dorr's security from High Crown consists of, among other things, (i) general security agreements delivered by High Crown to Dorr (granting a security interest and lien against the personal property situated on, used in connection with or derived from the High Crown Real Property) and (ii) first and second mortgages/charges and general assignment of rents and leases registered against title to the Real Property of High Crown and third collateral mortgages/charges on the Real Properties of each of Nao and Minu (collectively, all Dorr loan and security documents with respect to each of such Companies are referred to herein as the "Dorr Mortgage Loan Security Documents"); and
 - d) As noted above, the Dorr Mortgage Loan Security Documents includes third ranking collateral mortgages/charges on the Real Properties of each of Nao and Minu securing the indebtedness owing by High Crown to Dorr.²
4. Accordingly, the Receiver understands that if there are excess proceeds from the sale of the Real Properties of each of Nao and Minu after repayment of KingSett's first mortgages/charges over those two Real Properties, such proceeds would be applied first to KingSett's second mortgages/charges securing the Nao/Minu indebtedness owing to KingSett and second to the indebtedness owing by High Crown to Dorr.

² The Receiver notes that there are two PPSA registrations in favour of KingSett against High Crown which were filed prior in time to Dorr's PPSA registrations against High Crown in respect of Dorr's first and second mortgage loans to High Crown. Counsel to the Receiver has been advised by counsel for KingSett that the real property security related to those prior KingSett PPSA registrations has been discharged and that KingSett inadvertently did not file discharges for the corresponding PPSA registrations. The Receiver understands that KingSett intends to file PPSA discharges of those two registrations.

5. The Receiver notes that the purchased assets under each of the Transactions is primarily the Real Property of each of the Companies.
6. Cassels provided the Receiver with an opinion on the KingSett Mortgage Loan Security Documents and the Dorr Mortgage Loan Security Documents (the “Security Opinion”). Subject to standard assumptions and qualifications, Cassels delivered opinions that (i) the KingSett Mortgage Loan Security Documents and the Dorr Mortgage Loan Security Documents create valid security interests or charges, as applicable, against the Companies’ real and personal property to be sold pursuant to the Transactions and (ii) such KingSett Mortgage Loan Security Documents and Dorr Mortgage Loan Security Documents have been properly registered against title to the respective Companies’ Real Property or perfected by PPSA registrations, as applicable.

3.1.2 Toronto-Dominion Bank

1. The Stateview Group previously had bank accounts (the “TD Accounts”) at Toronto Dominion Bank (“TD Bank”). On March 23, 2023, TD Bank commenced an action against various Stateview Group companies and other parties, including, *inter alia*, the Stateview Receivership Companies and the Taurasis (collectively, the “TD Action Defendants”) to attempt to recover an approximate \$37 million loss resulting from a “cheque kiting” scheme that took place between April 2022 to March 2023. The Taurasis allege that the Stateview Group’s former Chief Financial Officer, Daniel Ciccone, was responsible for the scheme.
2. Certain of the TD Action Defendants, including all of the Stateview Receivership Companies and the Taurasis (together, the “Settlement Parties”) entered into a Settlement Agreement with TD Bank dated March 31, 2023 (the “TD Settlement Agreement”), pursuant to which, *inter alia*, they acknowledged their joint and several liability to TD Bank arising out of the kiting scheme. In connection with the Settlement Agreement, TD Bank was granted (and subsequently registered) mortgages on the Real Property owned by Taurasi Holdings and certain of the other Stateview Receivership Companies (not including High Crown, Nao or Minu) to secure the amounts owing to TD Bank under the Settlement Agreement (collectively, the “TD Mortgages”).
3. The Receiver has not yet made any independent inquiries into the circumstances giving rise to the granting and registration of the TD Mortgages, nor has the Receiver obtained an opinion on the TD Mortgages.

3.1.3 Deemed Trust Claims

1. The Receiver received a letter from the Canada Revenue Agency (“CRA”) dated May 16, 2023 indicating that Taurasi Holdings owes the CRA approximately \$340,000 in respect of unpaid harmonized sales tax (“HST”), \$130,624.22 of which the CRA asserts is a deemed trust claim.

2. The Receiver is in the process of reviewing the HST claim and the relative priority of the deemed trust asserted by the CRA to the other secured claims against the Property. As discussed further in section 8.3.2 below, the Receiver intends to reserve the amount of \$130,624.22 from the proceeds of the TLSFD Transaction.
3. The CRA also issued High Crown a Notice of Assessment on October 5, 2023 for the 2021 tax year indicating that High Crown has \$1,215,612.03 owing to the CRA for unpaid source deductions, a portion or all of which the CRA asserts is subject to a deemed trust in favour the CRA. The CRA has advised the Receiver that such deemed trust arose effective on December 31, 2021.
4. The Receiver has not yet reviewed the CRA's unpaid source deduction claims, including to determine whether High Crown has source deduction obligations given that, based on the Receiver's understanding, High Crown did not have direct employees.
5. However, the Receiver notes that the deemed trust does not have priority over "prescribed security interests", which includes mortgages registered on land or a building to the extent that the mortgage was registered before the time that the deemed trust arose.
6. In this case, the mortgages in favour of Dorr on the High Crown Real Property were registered on August 16, 2021, which is prior to the date that the deemed trust arose. The Receiver also understands that no payments were made in respect of the High Crown Indebtedness owing to Dorr since the mortgages were registered and that it is not expected that any of the other rights and security of Dorr in respect of the High Crown Indebtedness would have any material value.
7. The CRA's deemed trust in respect of the alleged source deductions therefore appears to rank behind the mortgages of Dorr. Accordingly, the Receiver is not proposing to reserve any amount in respect of such deemed trust from the distribution of the High Crown Purchase Proceeds (as discussed in section 8.0 below). In the event there are High Crown Purchase Proceeds in excess of the High Crown Indebtedness owing to Dorr, the Receiver will further assess the source deduction deemed trust claims.

3.2 Other Creditors

1. Based on the Stateview Group's books and records, and based on work performed by the Receiver to reconcile certain amounts owing to trade vendors, as at the date of the Receivership Order, the Companies' unsecured and other obligations were as follows:

(\$000s; unaudited)	Construction trade vendors	Other vendors	Total
Taurasi Holdings	-	82	82
High Crown	2,701	1,364	4,065
Nao	473	280	753
Minu	1,086	437	1,523

2. Certain parties have registered construction liens on the Real Property of High Crown, Nao and Minu, and accordingly, a portion of the amounts owing to the construction trade vendors reflected in the above table may have priority over the secured claims of KingSett and/or Dorr, as discussed further below. The other unsecured vendors consist primarily of realty brokerages and unsecured claims of the CRA. No claims process has been conducted in respect of any of the Companies in order to identify any further secured creditors and unsecured creditors.
3. The Receiver also understands that each of the Companies is also in arrears of municipal taxes, which the Receiver understands constitutes a priority secured claim on the respective Companies' Real Properties, which will be addressed on the closing of the Transaction (as discussed further below).
4. In addition to the above, the Labourers International Union of North America, Local 183 ("LIUNA") has asserted a priority claim and registered a lien against the High Crown Real Property for unpaid wages and pension contributions totaling approximately \$21,824.67 owing to individuals that worked on the High Crown Project (the "LIUNA Claim"). The Receiver and Cassels are continuing to review the LIUNA Claim and have been in communication with LIUNA's counsel.
5. As noted in Section 2.3 above, prior to the commencement of these receivership proceedings, each of High Crown, Nao and Minu sold pre-construction townhomes and collected, in aggregate, approximately \$32.5 million in Homebuyer Deposits from Pre-Sale Purchasers, which Homebuyer Deposits have been disbursed. Subject to the matters discussed in section 4.0 below, all claims from Pre-Sale Purchasers in respect of a refund of their Homebuyer Deposits from the Companies would be unsecured.

4. Tarion/Class Action Claims

1. Tarion Warranty Corporation ("Tarion") brought a motion to the Court in the receivership proceeding of the Stateview Receivership Companies seeking the imposition of certain trusts and priority charges over the property of certain of the Stateview Receivership Companies, including High Crown, Nao and Minu, to secure the Homebuyer Deposits (the "Tarion Priority Motion").
2. The Tarion Priority Motion was opposed by the Receiver along with various secured creditors and claimants of the Stateview Receivership Companies.
3. The Tarion Priority Motion was heard by the Honourable Madam Justice Steele on November 2, 2023 and Her Honour reserved judgement on the motion.
4. In addition, on September 29, 2023, the Receiver received a copy of a Statement of Claim issued on September 28, 2023 by Dharmi Mehta (as proposed representative plaintiff on behalf of a proposed class of Pre-Sale Purchasers) commencing a proposed class action against certain of the Stateview Receivership Companies, including Nao and Minu, and other individuals (including the Taurasis) (the "Proposed Class Action"). A copy of the Proposed Class Action is attached at Appendix "B".

5. The Proposed Class Action was issued in breach of the stay of proceedings pursuant to the Receivership Order and counsel to the Receiver has been in communication with counsel to the Proposed Class Action plaintiff.
6. However, the Receiver notes that the relief proposed to be sought in the Proposed Class Action includes the imposition of the same trusts and/or charges in respect of Homebuyer Deposits as sought in the Tarion Priority Motion, plus one additional smaller trust claim that was not sought in the Tarion Priority Motion. Depending on the outcome of the Tarion Priority Motion, it may also be necessary to seek a determination of the additional smaller trust claim raised in the Proposed Class Action from the Court in the receivership proceedings on a further motion before the Court.

5. Sale Process

5.1 Marketing Process

1. The Receiver carried out the Sale Process for the Companies in accordance with the Sale Process Order. Section 5 of the Receiver’s report to court dated May 30, 2023 (the “First Report”) detailed the Sale Process. Section 5 of the First Report is provided in Appendix “C” for reference.
2. Pursuant to the Sale Process Order, the Receiver retained realtors to list for sale the Property owned by the Companies. Jones Lang LaSalle Real Estate Services, Inc. (“JLL”) was engaged to sell the Industrial Properties and the High Crown Project, and CBRE Limited (“CBRE”) was engaged to sell the Nao Project and Minu Project.
3. The key dates in each Sale Process are summarized below:

Sale Process Dates	Industrial Properties	High Crown	Nao	Minu
Sale Process launch date	June 19, 2023	June 22, 2023	June 12, 2023	June 12, 2023
Bid deadlines (each a “Bid Deadline”)	September 12, 2023 ³	July 25, 2023	July 25, 2023	July 25, 2023

4. JLL and CBRE each launched their respective Sale Processes by distributing an investment summary (the “Teaser”) and a form of non-disclosure agreement (“NDA”) to their database of prospective buyer contacts. Each broker also marketed the respective Property through, among other things, email campaigns, print and digital ads and visible signage at the sites.
5. Interested parties were required to sign the NDA to access a virtual data room (“VDR”). A separate VDR was set up for each of the Companies.

³ The Bid Deadline for the Industrial Properties was originally set for August 10, 2023. In consultation with JLL and KingSett, the Receiver extended the Bid Deadline to September 12, 2023.

6. Each VDR contained information regarding the respective Companies' Property, including financial information, contracts, permits, designs, drawings and other diligence information that had been provided to the Receiver by Management or the Stateview Group. In the case of the Industrial Properties, the VDR also contained information about the Tenants and a number of third-party consultant reports that were commissioned by the Receiver during these proceedings (the "Consultant Reports"). Each VDR also included a form of asset purchase agreement (the "Template APS"). Prospective purchasers were encouraged to submit offers in the form of the Template APS, together with a blackline against the Template APS.
7. The Receiver commissioned the Consultant Reports with the goal of receiving unconditional offers. Interested parties were advised that unconditional offers were preferred given the monthly interest burn of approximately \$320,000 accruing on KingSett's debt.

5.2 Sale Process Results

5.2.1 Industrial Properties

1. The Industrial Properties were marketed as a portfolio, however, prospective purchasers were advised that the Receiver would consider a bid for any combination of one or more of the Industrial Properties.
2. A summary of the results of the Sale Process for the Industrial Properties is as follows:
 - a) 2,217 parties were sent the Teaser and the NDA;
 - b) 82 parties executed the NDA and were provided access to the VDR to perform additional due diligence; and
 - c) the below table provides a summary of the offers received for the Industrial Properties, excluding the Oster Property, which is not subject to the TLSFD Transaction:

Type of Bid	Number of Offers Received
Portfolio bid for the Bradwick & Rivermede Properties	3
6 & 8 Bradwick Property only	1
301 Bradwick Property only	2
North Rivermede Property only	4
Total offers received	10

3. An offer summary in respect of the final bids received for the Bradwick & Rivermede Properties (the "TLSFD Offer Summary") is attached as Confidential Appendix "1". The Receiver's recommendation regarding sealing this information is discussed in Section 7.4 below.
4. The Receiver also received offers at the Bid Deadline (portfolio offers and individual offers) for the Oster Property. However, in light of certain unique aspects of the Oster Property, the Receiver is still advancing those offers and is not seeking approval of a transaction for the Oster Property at this time.

5. The Receiver reviewed the bids for the Bradwick & Rivermede Properties and the Receiver and/or JLL engaged in direct discussions with the leading bidders to understand their bids, including their conditionality, financial ability to close and any other due diligence that remained outstanding. In each case, the Receiver invited a group of top bidders to participate in one or more rounds of additional bidding in order to achieve the best results possible. The Receiver also consulted TD Bank during the Sale Process, as it holds the subordinate mortgage behind KingSett.
6. KingSett REG LP's bid represents the only unconditional offer for all three properties. In that respect, the combination of other offers or portfolio offers would have required a conditional period.
7. KingSett REG LP's offer also represents the highest purchase price offer for a "portfolio" bid of the Bradwick & Rivermede Properties. KingSett REG LP advised the Receiver that it was not prepared to break-up its portfolio to purchase certain of the Industrial Properties. As a result, the Receiver was not able to augment KingSett REG LP's offer with individual property offers to generate a higher purchase price. The individual combined offers for the three properties represent a marginally higher purchase price than the KingSett REG LP portfolio bid; however, the only offer for 6 & 8 Bradwick Property was a conditional letter of intent and if that transaction did not close, there would be no other offers available for that property.
8. After consulting with each of the bidders, the Receiver selected KingSett REG LP as the successful bidder for the Bradwick & Rivermede Properties.
9. At the commencement of the Sale Process, KingSett REG LP advised the Receiver that it wanted to participate in the Sale Process. KingSett advised the Receiver that notwithstanding that KingSett REG LP is an affiliate of KingSett, the two entities operate independently with an internal confidentiality wall. Regarding its participation in the Sale Process, KingSett REG LP was only provided with the same information in the Sale Process that was made available to all of the other prospective bidders (i.e., the VDR). The Receiver understands that KingSett was not in any way involved in KingSett REG LP's decision to submit an offer for the Industrial Properties.
10. Notwithstanding the foregoing, given KingSett REG LP's involvement in the Sale Process, the Receiver did not consult KingSett in its evaluation of the bids for the Bradwick & Rivermede Properties prior to selecting KingSett REG LP as the successful bidder, nor has the Receiver provided KingSett with any of the other bids received by the Receiver for the Industrial Properties.

5.2.2 High Crown, Nao and Minu

1. A summary of the results of the Sale Process for High Crown, Nao and Minu is in the table below:

Sale Process Summary	Number of Parties		
	High Crown	Nao	Minu
Teaser/NDA sent	2,208	1,254	1,254
NDA signed	44	42	38
Offers received	5	7	10

2. A separate offer summary in respect of the final bids received for each Project (as applicable, the “High Crown Offer Summary”, the “Nao Offer Summary” and the “Minu Offer Summary” and collectively the “Project Offer Summaries”, and together with the “TLSFD Offer Summary”, the “Offer Summaries”) are attached as Confidential Appendices “2”, “3” and “4”, respectively. The Receiver’s recommendation regarding sealing this information is discussed in Section 7.4 below.
3. In consultation with KingSett and Dorr (Dorr was only consulted for High Crown), the Receiver reviewed the bids for each of the High Crown, Nao and Minu Projects and the Receiver and/or CBRE/JLL, as applicable, engaged in direct discussions with the leading bidders to understand their bids, including their conditionality, financial ability to close and any other due diligence that remained outstanding. In each case, the Receiver invited a group of top bidders to participate in one or more rounds of additional bidding in order to achieve the best results possible.
4. Delton’s bid represents the highest closeable offer for the three Projects. The Receiver received one bid that was higher, but the offer only provided a \$10,000 deposit and the prospective purchaser was not able to provide evidence of the financial capability of closing the transaction. The Receiver also received a similar offer to the Delton offer, but the purchaser could not obtain financing.
5. After consulting with each of the bidders, the Receiver selected Delton as the successful bidder for each of the High Crown, Nao and Minu Projects.

6. The TLSFD Transaction⁴

6.1 The TLSFD APS

1. The following constitutes a summary description of the TLSFD APS only. Reference should be made directly to the TLSFD APS for all of its terms and conditions. A copy of the TLSFD APS with the purchase price, purchase price allocation and deposit amount redacted is attached as Appendix “D”. A copy of the unredacted APS is attached as Confidential Appendix “5”. The Receiver’s rationale for sealing the unredacted TLSFD APS is provided in Section 7.4 below.
2. The key terms and conditions of the TLSFD APS are provided below.
 - **Vendor**: Receiver
 - **Purchaser**: KingSett Real Estate Growth LP No. 8, by its general partner, KingSett Real Estate Growth GP No. 8 Inc.
 - **Purchased Assets**: substantially all of Taurasi Holdings’ right, title and interest in:
 - a) the Real Property described in Schedule “A” of the TLSFD APS, being all of the Industrial Properties other than the Oster Property;

⁴ Capitalized terms in this section have the meaning provided to them in the TLSFD APS unless otherwise defined herein.

- b) the Buildings, the Additional Assets and the Leases;
- c) the Contracts and Permits, but each only to the extent transferable to the TLSFD Purchaser or the TLSFD Purchaser's permitted assignees;
- d) the full benefit of all prepaid expenses and all deposits with any Person, public utility or Governmental Authority relating to the Property of Taurasi Holdings;
- e) the Permitted Encumbrances; and
- f) the Security Deposits;

KingSett REG LP acknowledges and agrees that it shall not call upon the Receiver to produce any title deed, abstract of title, survey or other evidence of title that is not within the Receiver's possession or control.

- **Excluded Assets:** all assets, undertaking and property other than the Purchased Assets, including:
 - a) all cash, cash equivalents and accounts receivable of Taurasi Holdings, including any insurance refund, HST refunds or other tax receivables;
 - b) the Excluded Contracts;
 - c) tax records, books and records, minute books; and
 - d) the benefit of any refundable Taxes payable or paid in respect of the Purchased Assets and applicable to the period prior to the Closing Date.
- **Purchase Price:** for the reasons provided in Section 7.4 of this Sixth Report, the Receiver is seeking to have the purchase price and purchase price allocation sealed pending further order of the Court.

The purchase price is to be adjusted on closing for adjustments standard for a real estate transaction, including property taxes and rents, as further described in Section 4.4 of the TLSFD APS.

- **Deposit:** a deposit equal to approximately 10% of the purchase price has been paid to the Receiver. The balance of the purchase price, subject to the adjustments, is to be paid on the Closing Date.
- **Excluded Liabilities:** all liabilities other than the Assumed Liabilities and Permitted Encumbrances.
- **Representations and Warranties:** consistent with the standard terms of an insolvency transaction, i.e., on an "as is, where is" basis, with limited representations and warranties.

- **Closing Date:** the date that is the first Business Day following the date that is ten (10) Business Days following the date on which the TLSFD AVO is issued by the Court, or such other date as agreed in writing by the Receiver and the TLSFD Purchaser.
- **Material Conditions:** include, among other things:
 - a) on or before the date that is ten (10) Business Days prior to the Closing Date (the "Estoppel Delivery Date") the Receiver shall obtain and deliver to the TLSFD Purchaser signed and completed estoppel certificate(s) (collectively, the "Estoppel Certificates") in the form attached as Schedule "F" to the TLSFD APS from Tenants comprising at least 80% of the net leasable area of the Industrial Properties subject to the TLSFD Transaction (i.e. excluding the Oster Property). In the event that the Receiver is unable to deliver the required Estoppel Certificates by the Estoppel Delivery Date, then the TLSFD Purchaser may elect, in its discretion, to: (i) extend the Estoppel Delivery Date three (3) times by ten (10) additional Business Days in each instance, to allow the Receiver additional time within which to obtain such Estoppel Certificates and the Closing Date shall be extended accordingly; or (ii) terminate the TLSFD APS. The TLSFD Purchaser has waived this condition.
 - b) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets, for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
 - c) the Court shall have issued the TLSFD AVO.

6.2 TLSFD Transaction Recommendation

1. The Receiver recommends the Court issue the proposed TLSFD AVO approving the TLSFD Transaction for the following reasons:
 - a) the process undertaken by the Receiver to market the Bradwick & Rivermede Properties was commercially reasonable and conducted in accordance with the terms of the Sale Process Order;
 - b) JLL has extensive experience selling industrial properties in and around the Greater Toronto Area and widely canvassed the market for prospective purchasers;
 - c) in JLL's view, it is unlikely that exposing the Bradwick & Rivermede Properties subject to the market for additional time will result in a superior transaction;
 - d) the Purchaser provided the only unconditional offer for the three properties which was an important factor given the interest accruing to the lenders;
 - e) the Receiver and JLL are of the view that the TLSFD Transaction provides for the greatest recovery available for the benefit of Taurasi Holdings' stakeholders in the circumstances;

- f) KingSett consents to the TLSFD Transaction; and
- g) as at the date of this Sixth Report, the Receiver is not aware of any objections to the relief being sought pursuant to the proposed TLSFD AVO.

7. Project Transactions

7.1 Project APSs

1. A summary description of each of the Project APSs is provided in Appendix “E”. Reference should be made directly to each Project’s respective APS for all of their terms and conditions.
2. Copies of the High Crown APS, Nao APS and Minu APS, each with the purchase price and deposit amounts redacted, are attached as Appendices “F”, “G” and “H”, respectively. Copies of the unredacted High Crown APS, Nao APS and Minu APS are attached as Confidential Appendix “6”, “7” and “8”, respectively. The Receiver’s rationale for sealing the unredacted APS for each Project is provided in Section 7.4 below.
3. Other than the financial terms of the Project Transactions and some differences in the nature of the purchased assets reflecting the state of the Projects, the terms and conditions contained in each APS for each Project are substantially identical.
4. In addition, the Receiver notes that the High Crown APS, Nao APS and Minu APS are subject to two noteworthy conditions in favour of Delton:
 - a) each of the Transactions is conditional upon the other two transactions also closing;
 - b) each of the Transactions is conditional until November 10, 2023 (unless the parties agree to extend) upon Delton obtaining financing on terms and conditions acceptable to Delton in its sole discretion; the Receiver understands that Delton has arranged for financing from KingSett for each of the Transactions, which financing is however conditional upon, among other things, the Tarion Priority Motion being dismissed;
5. The Receiver’s recommendation for approval of the Project Transactions is provided in Section 7.3 below.

7.2 Disclaimer of Homebuyer Agreements

1. Each of the Project Transactions contemplates that the respective Pre-Sale Purchase Agreements will be Excluded Contracts (as defined in each of the Project APSs).
2. Pursuant to the proposed Delton AVOs, the Receiver is seeking the authority to terminate and disclaim all of the Pre-Sale Purchase Agreements. Given that the vast majority of these homes were sold between 2018 and 2021, the Receiver understands that the market price of these homes has increased significantly, and, accordingly, Delton is not prepared to assume the Pre-Sale Purchase Agreements.

3. The Receiver recommends that the Court approve the Receiver's authority to terminate and disclaim the Pre-Sale Purchase Agreements as:
 - a) the Delton APSs represent the best offers received for the High Crown, Nao and Minu Projects, and their terms and conditions require that the Pre-Sale Purchase Agreements be terminated and disclaimed; and
 - b) none of the offers received by the Receiver for High Crown, Nao or Minu contemplated an assumption of Pre-Sale Purchase Agreements.
4. The Receiver intends to serve each of the Pre-Sale Purchasers (or, if applicable, their counsel) with this motion by email (if available) or by courier. The Receiver will also post a notice to the Pre-Sale Purchasers on the Receiver's website informing Pre-Sale Purchasers of the motion.
5. If the Delton AVOs are granted by the Court, the Receiver notes that there will be no funds available in either of the High Crown, Nao and Minu estates to reimburse Homebuyer Deposits given that they are unsecured claims, but the Receiver intends to work with Tarion to assist with the deposit claim process for the Pre-Sale Purchasers.

7.3 Project Transactions Recommendation

1. The Receiver recommends the Court issue the proposed Delton AVOs approving the Project Transactions for the following reasons:
 - a) the process undertaken by the Receiver to market the High Crown, Nao and Minu Projects was commercially reasonable and conducted in accordance with the terms of the Sale Process Order;
 - b) CBRE and JLL each have extensive experience selling development properties in and around the Greater Toronto Area and widely canvassed the market for prospective purchasers;
 - c) In the view of CBRE and JLL, as applicable, it is unlikely that exposing the High Crown, Nao and Minu Projects to the market for additional time will result in a superior transaction;
 - d) the Receiver and CBRE/JLL, as applicable, are of the view that the Project Transactions provide for the greatest recovery available for the benefit of the Projects' stakeholders in the circumstances;
 - e) Dorr is supportive of the High Crown Transaction and KingSett is supportive of each of the Project Transactions; and
 - f) as at the date of this Sixth Report, the Receiver is not aware of any objections to the relief being sought pursuant to the proposed Delton AVOs.

7.4 Sealing

1. The Receiver recommends that the TLSFD Offer Summary (Confidential Appendix “1”) and the unredacted TLSFD APS (Confidential Appendix “5”) be filed with the Court on a confidential basis and remain sealed until further order of the Court, as the documents contain confidential information, including with respect to value.
2. The Receiver recommends that the Project Offer Summaries (Confidential Appendices “2” to “4”), the unredacted High Crown APS (Confidential Appendix “6”), the unredacted Nao APS (Confidential Appendix “7”) and the unredacted Minu APS (Confidential Appendix “8”) (collectively, the “Unredacted APSs”) be filed with the Court on a confidential basis and remain sealed pending closing of: (i) the High Crown Transaction (in the case of the High Crown Offer Summary and High Crown APS); (ii) the Nao Transaction (in the case of the Nao Offer Summary and Nao APS); and (iii) the Minu Transaction (in the case of the Minu Offer Summary and Minu APS), or further order of the Court, as the documents contain confidential information, including with respect to value.
3. The Offer Summaries contain sensitive information, including the identity of the bidders and the value of other bids received for the Companies’ Property, that could adversely impact the future marketability of the Companies’ Property should the Transactions not close.
4. In addition, in the case of the TLSFD Offer Summary and unredacted TLSFD APS, the identity of the bidders and the value of the TLSFD Transaction and the other bids received could adversely impact the ongoing Sale Process in respect of the Oster Property and accordingly, the Receiver proposes that such information be sealed until further order of the Court. The Receiver would intend to deal with the termination of such proposed sealing when it returns to Court to seek approval of any transaction in respect of the Oster Property.
5. Sealing this information is necessary to maximize recoveries in these proceedings and maintain the integrity and confidentiality of key information in the Sale Process.
6. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Receiver is not aware of any party that will be prejudiced if the information is sealed or any public interest that will be served if such details are disclosed in full. The Receiver is of the view that the sealing of the Confidential Appendices is consistent with the decision in *Sherman Estate v. Donovan*, 2021 SCC 25. Accordingly, the Receiver believes the proposed sealing of the Confidential Appendices is appropriate in the circumstances.

8. Distributions

1. As noted above, KingSett is the principal secured creditor of Taurasi Holdings, Nao and Minu, and Dorr is the senior secured creditor of High Crown and holds a collateral mortgage on Nao and Minu behind KingSett.

2. Subject to the issues noted in section 8.3.3 below, the Receiver is seeking authorization and direction to make the following distributions from the net proceeds of the Transactions⁵, in each case, after deduction for the payments, distributions and reserves as outlined in the sections below:
 - a) Taurasi Holdings: a distribution to KingSett from the net proceeds of the TLSFD Transaction (the “TLSFD Purchase Proceeds”), on account of the Taurasi Holdings Indebtedness owing by Taurasi Holdings to KingSett;
 - b) High Crown: a distribution to Dorr from the net proceeds of the High Crown Transaction (the “High Crown Purchase Proceeds”), on account of the Dorr Indebtedness owing by High Crown to Dorr;
 - c) Nao: a distribution (i) firstly, to KingSett from the net proceeds of the Nao Transaction (the “Nao Purchase Proceeds”), on account of the Nao Indebtedness owing by Nao to KingSett and thereafter on account of the Nao/Minu Indebtedness owing by Nao and Minu to KingSett, and (ii), if applicable and available, secondly, to Dorr from the Nao Purchase Proceeds, on account of the High Crown Indebtedness owing by High Crown to Dorr; and
 - d) Minu: a distribution (i) firstly, to KingSett from the net proceeds of the Minu Transaction (the “Minu Purchase Proceeds”), on account of the Minu Indebtedness owing by Minu to KingSett and thereafter on account of the Nao/Minu Indebtedness owing by Nao and Minu to KingSett, and (ii), if applicable and available, secondly, to Dorr from the Minu Purchase Proceeds, on account of the High Crown Indebtedness owing by High Crown to Dorr;.

8.1 Payment of Professional Fees

1. The Receivership Order provides for a first charge on the respective Property of each of the Companies in favour of the Receiver and its counsel for their fees and disbursements (the “Receiver’s Charge”). The Receiver is satisfied that the purchase proceeds from each of the Transactions are sufficient to satisfy its professional fees, including legal fees, in respect of the administration of the respective Companies’ proceedings.
2. The Receiver is seeking authorization and direction to pay the professional fees of KSV and Cassels incurred in respect of (i) Taurasi Holdings from the TLSFD Purchase Proceeds; (ii) High Crown from the High Crown Purchase Proceeds, (iii) Nao from the Nao Purchase Proceeds; and (iv) Minu from the Minu Purchase Proceeds, in each case as described in the Fee Affidavits (as defined below) and discussed further below.

⁵ In addition to other customary closing adjustments, the Receiver expects that priority property taxes and commissions will be deducted from the gross purchase proceeds on closing of the Transactions.

8.2 Repayment to Taurasi Holdings

1. The Receivership Order authorizes the Receiver to borrow up to \$5 million and provides for a corresponding charge on the Property, ranking in priority only behind the Receiver's Charge. The Receiver did not borrow any funds from a third party during these proceedings. Rather, during the receivership proceedings, the receivership estate of Taurasi Holdings transferred and/or directly paid expenses totalling \$25,465, \$2,160 and \$33,335, to or on behalf of High Crown, Nao and Minu, respectively, to fund certain operating expenses. The Receiver is now seeking the Court's authorization and direction to repay the Taurasi Holdings estate the balances owing to it, being \$25,465 from the High Crown Purchase Proceeds, \$2,160 from the Nao Purchase Proceeds and \$33,335 from the Minu Purchase Proceeds.

8.3 Reserves

1. A summary of the reserves that the Receiver proposes be established and maintained from the purchase proceeds of each of the Transactions is as follows:

Reserves	Purchase Proceeds			
	TLSFD	High Crown	Nao	Minu
Construction Lien Claims	-	\$318,884.51	\$4,681.60	\$115,796.26
HST Deemed Trust	\$130,624.22	-	-	-
LIUNA Claims	-	\$21,824.67	-	-
Professional Costs	-	\$500,000	\$500,000	\$500,000
General Contingency	-	\$200,000	\$200,000	\$200,000
Total Reserves	\$130,624.22	\$1,040,709.18	\$704,681.60	\$815,796.26

2. The rationale for the establishment of each of the reserves is provided in the sections below.

8.3.1 Construction Lien Claims

1. As noted above, a number of parties have registered construction liens against the Real Properties of High Crown, Nao and Minu.
2. A summary of such liens prepared by Cassels is attached at Appendix "I". The Receiver intends to serve this motion on all parties (or their counsel) who have registered liens against the High Crown, Nao and Minu Real Property.
3. These lien claims are discussed below, along with certain proposed reserves recommended by the Receiver.
4. The Receiver understands, and has confirmed with counsel to the Stateview Group, that the Stateview Group is not holding any funds for the statutory holdback that the Stateview Group was required to retain pursuant to the *Construction Act*, from payments to parties that supplied services or materials to the Projects.

5. Cassels has advised the Receiver that where a mortgagee takes a mortgage with the intention to secure the financing of an improvement, valid liens arising from the improvement may have priority over the mortgage to the extent of any deficiency in the holdbacks that the owner was required to have retained (“Holdback Deficiency Priority Claim”).
6. The Receiver and Cassels are assessing whether any of the parties that have registered construction liens may have a Holdback Deficiency Priority Claim and may thereby be entitled to a distribution from the applicable purchase proceeds in priority to KingSett and/or Dorr, as applicable. Accordingly, the Receiver is proposing to reserve funds on account of such potential Holdback Deficiency Priority Claims. Cassels has prepared an estimate of the minimum and maximum potential Holdback Deficiency Priority Claims of each of the parties who may be able to make priority claims. Cassels’ estimate is attached as Appendix “J”.
7. The Receiver understands that the high-end of the range addresses the potential circumstance in which there exists subcontractors under the direct contract-party with Stateview who provided unpaid lienable services or supplies to High Crown, Nao and Minu (as applicable), but which have not registered such liens and which could claim that the 60-day period to register the lien has not yet expired.
8. The Receiver does not however believe that this circumstance is likely given that (i) it has been over six months since the Receivership Orders were granted and five months since the Sale Process was approved and (ii) Cassels has received confirmation from all of the applicable parties that have registered liens that such parties have no unpaid subcontractors in respect of High Crown, Nao and Minu.
9. Accordingly, the Receiver believes that it is reasonable and appropriate to reserve the low-end of the range contained in Appendix “J” and recommends doing so.

8.3.2 Other Reserves

1. In addition to the reserves discussed in the section above, the Receiver is seeking authorization and direction to establish and maintain the following reserves:
 - a) from the TLSFD Purchase Proceeds:
 - i. HST Trust Reserve – in the amount of \$130,624.22 on account of a priority trust amount owing to CRA for unremitted HST;
 - b) from the High Crown Purchase Proceeds⁶:
 - i. LIUNA Claims Reserve – in the amount of \$21,824.67 on account of a maximum amount owing in respect of the LIUNA Claim, as described

⁶ In light of the subordinate ranking of the CRA’s deemed trust asserted in respect of the alleged unpaid source deductions owing by High Crown as discussed in Section 3.1.3 above, the Receiver is not proposing to reserve any amount in respect of such deemed trust. In the event there are High Crown Purchase Proceeds in excess of the High Crown Indebtedness, the Receiver will further assess the source deduction deemed trust claims.

above in Section 3.2, to be paid or distributed by the Receiver with the consent of LIUNA and KingSett or upon further order of the Court;

- c) from the purchase proceeds of each of the Project Transactions:
 - i. a Professional Costs Reserve, in the respective amounts provided in the table above, as a reserve for the estimated additional professional costs of the Receiver and its counsel required for this motion and to complete the administration of the receivership proceedings of each of High Crown, Nao and Minu, including closing the respective Project Transaction, resolving the aforementioned claims and seeking the final discharge of the Receiver, to be held by the Receiver pending further order of the Court; and
 - ii. a General Contingency Reserve – in the respective amounts provided in the table above, on account of general operating costs and fees incurred by the Receiver for the High Crown, Nao and Minu Projects, and other claims which may have priority to the security interests of KingSett and/or Dorr, to be held by the Receiver pending further order of the Court.

8.3.3 Tarion/Proposed Class Action Claims

1. As noted above, the Receiver understands that the financing of the Project Transactions is dependent on the outcome of the Tarion Priority Motion and thus the Project Transactions will not close prior to the determination of those priority claims, unless the parties agree otherwise.
2. The Receiver anticipates returning to Court for further direction in the event that the Project Transactions are unable to close as a result of the outcome of the Tarion Priority Motion or if further direction is required with respect to direction of the proceeds of the Project Transactions.
3. In addition, if applicable, in the event that the Project Transactions and the smaller additional priority issues raised in the Proposed Class Action remain unresolved, the Receiver will reserve appropriate amounts from the net purchase proceeds, on agreement of the affected creditors or on further order of the Court.

9. Receiver's Activities

1. In addition to dealing with the matters addressed above, the Receiver's activities relating to the Companies since its appointment have included, among other things, the following:
 - a) corresponding with Management and their counsel regarding the Companies' affairs and these proceedings;
 - b) corresponding with KingSett and its counsel regarding all aspects of this mandate, including providing periodic status updates;
 - c) corresponding with Dorr and its counsel regarding matters relating to High Crown, including providing periodic status updates;

- d) reviewing information provided by KingSett and Dorr relating to the Projects, including their development status;
- e) developing and carrying out the Court approved Sale Process for the Property of each of the Companies;
- f) reviewing and commenting on drafts of the Sale Process materials, including the Teasers and NDAs;
- g) reviewing information uploaded to the VDRs;
- h) dealing with CBRE and JLL regarding due diligence requests from prospective purchasers;
- i) attending update calls with CBRE, JLL, KingSett and Dorr, as applicable, regarding the status of the Sale Process;
- j) corresponding with the TLSFD Purchaser and its counsel regarding the TLSFD APS and the TLSFD Transaction, including extensive negotiations;
- k) corresponding with Delton and its counsel regarding the Project APSs and the Project Transactions, including extensive negotiations;
- l) corresponding with Masters Insurance, the Companies' insurance broker;
- m) corresponding with the Companies' creditors;
- n) corresponding with representatives of Tarion regarding the status of the Projects and the Project Transactions;
- o) corresponding with representatives of the City of Markham and Township of King, as applicable, regarding the status of the Projects and the Project Transactions;
- p) arranging for the maintenance, security and general upkeep of the Companies' Real Properties;
- q) assessing various claims that may have priority over the security held by KingSett and Dorr;
- r) corresponding with the Pre-Sale Purchasers;
- s) responding to the Tarion Priority Motion;
- t) corresponding with the Tenants and Argo;
- u) corresponding with the CRA regarding the Companies' HST and payroll accounts;
- v) filing HST returns; and
- w) drafting this Sixth Report and reviewing the motion materials in respect of same.

10. Professional Fees

1. In accordance with paragraph 31(c) of the Receivership Order, the Receiver and its counsel have allocated their fees to a specific Project, or in the case of Taurasi Holdings, the Industrial Properties, when their activities relate to a specific property. However, a significant portion of the activities performed by the Receiver and its counsel are of a general nature, and are not specifically allocable to a specific property/company, including time related to the investigation of matters generally relating to the Stateview Receivership Companies.
2. The Allocation Methodology of the Receiver and its counsel has been to allocate such time evenly across the relevant Stateview Receivership Companies. The Receiver believes that this is the most practical and reasonable basis to allocate such fees. This Allocation Methodology was previously approved by an order of the Court issued on September 14, 2023, a copy of which order is attached at Appendix “K”.
3. The fees of the Receiver since the commencement of the receivership proceeding to October 31, 2023 for each of the Companies, including the specific fees and an allocation of the general fees on the basis noted above total:
 - a) \$134,815.41, excluding disbursements and HST, for Taurasi Holdings;
 - b) \$117,434.66, excluding disbursements and HST, for High Crown;
 - c) \$103,582.91, excluding disbursements and HST, for Nao; and
 - d) \$87,680.41, excluding disbursements and HST, for Minu.
4. Cassels’ fees since the commencement of the receivership proceeding to October 31, 2023 for each of the Companies, including the specific fees and an allocation of the general fees on the basis noted above total:
 - a) \$270,440.81, excluding disbursements and HST, for Taurasi Holdings;
 - b) \$292,016.47, excluding disbursements and HST, for High Crown;
 - c) \$272,811.97, excluding disbursements and HST, for Nao; and
 - d) \$252,530.47, excluding disbursements and HST, for Minu.
5. Fee affidavits and accompanying invoices in respect of the fees and disbursements of the Receiver and Cassels for these periods are attached as Appendices “L” and “M”, respectively, to this Sixth Report (together, the “Fee Affidavits”).
6. The Receiver is of the view that Cassels’ hourly rates for each of the mandates are consistent with the rates charged by other law firms practicing in the area of insolvency in the Toronto market, and that its fees are reasonable and appropriate in the circumstances. The Receiver notes that as there have been a number of significant and complex legal issues to be addressed in the receivership estates, Cassels was required to address these matters for the Receiver and therefore its fees are in excess of the Receiver’s fees.

11. Companies' R&D

1. Attached as Appendices "N", "O", "P" and "Q" are schedules of receipts and disbursements for each of Taurasi Holdings, High Crown, Nao and Minu, respectively, from the commencement of these receivership proceedings to October 31, 2023 (each an "R&D"). As reflected in the R&Ds, the cash balances in the Receiver's account as at October 31, 2023, before accrued costs, were as follows:

(\$, unaudited)	Cash balance as at October 31, 2023
Taurasi Holdings	\$196,371
High Crown	\$946
Nao	\$24,085
Minu	\$2,102

As reflected in the table above, each of High Crown, Nao and Minu have nominal cash balances. The cash balance in the Taurasi Holdings account is primarily comprised of the rent collections since the commencement of these proceedings.

12. Conclusion

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(1)(f) of this Sixth Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
SOLELY IN ITS CAPACITY AS RECEIVER AND MANAGER OF
STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC.,
STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP. AND
STATEVIEW HOMES (HIGH CROWN ESTATES) INC.,
AND NOT IN ITS PERSONAL OR IN ANY OTHER CAPACITY**

Appendix “B”

Hoy, Alec

From: Hoy, Alec
Sent: Wednesday, November 08, 2023 1:21 PM
To: zweigs@bennettjones.com; nelmsa@bennettjones.com; Noah Goldstein; bkofman@ksvadvisory.com; mtallat@ksvadvisory.com; jwong@ksvadvisory.com; Jacobs, Ryan; Bellissimo, Joseph; Merskey, Alan; Hoy, Alec; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; leslie.crawford@ontario.ca; insolvency.unit@ontario.ca; pat.confalone@cra-arc.gc.ca; kross@markham.ca; customerservice@markham.ca; ghall@mccarthy.ca; aship@mccarthy.ca; adobkin@mccarthy.ca; stanvir@mccarthy.ca; jennifer.stam@nortonrosefulbright.com; james.renihan@nortonrosefulbright.com; carlo@stateviewhomes.com; dino@stateviewhomes.com; egolden@blaney.com; ckopach@blaney.com; aparley@litigate.com; Fabrizio.Filippazzo@york.ca; iaversa@airdberlis.com; mlici@airdberlis.com; mlerner@litigate.com; aslavens@torys.com; MToshakovski@markham.ca; Bola.Ogunmefun@york.ca; cstorto@markham.ca; jaspal@sanghaconstructionlaw.com; bola.ogunmefun@york.ca; laurac@chaitons.com; george@chaitons.com; dtouesnard@waterousholden.com; mruberto@pallettvalo.com; mgreco@pallettvalo.com; jlong@kmlaw.ca; naveed@faanadvisors.com; naomi@faanadvisors.com; cpresenza@parenteborean.com; gborean@parenteborean.com; davidcapulli@capullilaw.com; barry@greenberglaw.ca; ikatchin@foglers.com; ebisceglia@lawtoronto.com; sturajlich@lawtoronto.com; Sidney@stealthmonitoring.com; jwyly@stealthmonitoring.com; adam@michaelcohenbarrister.ca; michael@rousseauamazuca.com; francois@ctlaw.com; frank@frankfeldmanlaw.com; dresnick@kmlaw.ca; jharnum@kmlaw.ca; dpresta@bianchipresta.com; rhammond@hammondflerias.com; peter@emecorp.ca; awood@dllaw.ca; jeremy@kadishlaw.com; rmoubarak@sutherlaw.com; jeff.larry@paliareroland.com; daniel.rosenbluth@paliareroland.com; mkaplan@foglers.com; mwasserman@osler.com; drosenblat@osler.com; dsterns@sotos.ca; djalili@sotos.ca; vdare@foglers.com; jmaclellan@blg.com; ryehia@blg.com; kelly.smithwayland@justice.gc.ca; sthom@torkinmanes.com; dmann@torkinmanes.com; sastolfo@weirfoulds.com

Subject: In the Matter of the Receivership of Stateview Homes (Minu Towns) Inc., et al [Court File No. CV-23-00698576-00CL] - Motion Returnable on November 14, 2023 at 10:00 am ET

Attachments: Titan File Instructions.pdf; Notice of Motion dated November 8, 2023.pdf

Service List:

We are counsel to KSV Restructuring Inc., in its capacity as Court-appointed receiver and manager of Stateview Homes (Minu Towns) Inc. ("**Minu**"), Stateview Homes (Nao Towns) Inc. ("**Nao**"), Stateview Homes (High Crown Estates) Inc. ("**High Crown**"), TLSFD Taurasi Holdings Corp. ("**Taurasi Holdings**") et al (the "**Receiver**"). Please find attached and served upon you in accordance with the *Rules of Civil Procedure* and the E-Service Protocol of the Commercial List, the Notice of Motion of the Receiver in connection with the Receiver's motion returnable **November 14, 2023 at 10:00 a.m. (ET) by videoconference** seeking:

1. an approval and vesting order ("**Minu AVO**"), among other things,
 1. approving the sale transaction (the "**Minu Transaction**") in respect of certain of the property of Minu contemplated by an amended and restated agreement of purchase and sale ("**Minu APS**") between the Receiver and Delton Acquisitions Inc. ("**Delton**");
 2. following the Receiver's delivery of the Receiver's certificate substantially in the form attached as Schedule "A" to the proposed Minu AVO, transferring and vesting all of Minu's right, title and interest in

and to the Purchased Assets (as defined in the Minu APS) in Delton, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;

3. authorizing and directing the Receiver, on or prior to the closing of the Minu Transaction, to terminate and disclaim the homebuyer agreements of purchase and sale held by Minu as vendor; and
 4. sealing Confidential Appendix 4 to the Sixth Report of the Receiver dated November 8, 2023 (the “**Sixth Report**”).
2. an approval and vesting order (“**Nao AVO**”), among other things,
 1. approving the sale transaction (the “**Nao Transaction**”) in respect of certain of the property of Nao contemplated by an amended and restated agreement of purchase and sale (“**Nao APS**”) between the Receiver and Delton;
 2. following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed Nao AVO, transferring and vesting all of Nao’s right, title and interest in and to the Purchased Assets (as defined in the Nao APS) in Delton, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;
 3. authorizing and directing the Receiver, on or prior to the closing of the Nao Transaction, to terminate and disclaim the homebuyer agreements of purchase and sale held by Nao as vendor; and
 4. sealing Confidential Appendices 3 and 7 to the Sixth Report.
 3. an approval and vesting order (“**High Crown AVO**”), among other things,
 1. approving the sale transaction (the “**High Crown Transaction**”) in respect of certain of the property of High Crown contemplated by an amended and restated agreement of purchase and sale (“**High Crown APS**”) between the Receiver and Delton;
 2. following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed High Crown AVO, transferring and vesting all of High Crown’s right, title and interest in and to the Purchased Assets (as defined in the High Crown APS) in Delton, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;
 3. authorizing and directing the Receiver, on or prior to the closing of the High Crown Transaction, to terminate and disclaim the homebuyer agreements of purchase and sale held by High Crown as vendor; and
 4. sealing Confidential Appendices 2 and 6 to the Sixth Report.
 4. an approval and vesting order (“**TLSFD AVO**”), among other things,
 1. approving the sale transaction (the “**TLSFD Transaction**”) in respect of certain of the property of Taurasi Holdings contemplated by an agreement of purchase and sale (“**TLSFD APS**”) between the Receiver and KingSett Real Estate Growth LP No. 8, by its general partner KingSett Real Estate Growth GP No. 8 Inc. (“**KingSett REG LP**”);
 2. following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed TLSFD AVO, transferring and vesting all of Taurasi Holdings’ right, title and interest in and to the Purchased Assets (as defined in the TLSFD APS) in KingSett REG LP, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances; and
 3. sealing Confidential Appendices 1 and 5 to the Sixth Report.
 5. An ancillary matters and distribution order, among other things,
 1. authorizing the Receiver to make certain payments and distributions and maintain certain reserves from the proceeds from the Minu Transaction, Nao Transaction, High Crown Transaction, and TLSFD Transaction;
 2. approving the Sixth Report and the Receiver’s statement of receipts and disbursements and the Receiver’s activities described therein; and approving the fees and disbursements of the Receiver and its counsel, as detailed in the Sixth Report and the Fee Affidavits appended thereto.

Due to the size of the Receiver's Motion Record, also attached are instructions to download the Motion Record, which we are concurrently working to upload to TitanFile. If you do not receive an email from TitanFile by the end of the day, please check your spam folder and contact me if you are not able to access the materials.

All materials in connection with the motion and these receivership proceedings will also be uploaded by the end of the day to the case website maintained by the Receiver at the following link:

<https://www.ksvadvisory.com/experience/case/stateview-homes>.

For purposes of the Participant Information Form, please reply to me directly if you will be attending the hearing.

Regards,

Cassels | **ALEC HOY**
Associate
t: +1 416 860 2976
e: ahoy@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

Appendix “C”

Hoy, Alec

From: Hoy, Alec
Sent: Friday, November 10, 2023 4:13 PM
To: 'zweigs@bennettjones.com'; 'nelmsa@bennettjones.com'; 'Noah Goldstein'; 'bkofman@ksvadvisory.com'; 'mtallat@ksvadvisory.com'; 'jwong@ksvadvisory.com'; Jacobs, Ryan; Bellissimo, Joseph; Merskey, Alan; 'AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca'; 'leslie.crawford@ontario.ca'; 'insolvency.unit@ontario.ca'; 'pat.confalone@cra-arc.gc.ca'; 'kross@markham.ca'; 'customerservice@markham.ca'; 'ghall@mccarthy.ca'; 'aship@mccarthy.ca'; 'adobkin@mccarthy.ca'; 'stanvir@mccarthy.ca'; 'jennifer.stam@nortonrosefulbright.com'; 'james.renihan@nortonrosefulbright.com'; 'carlo@stateviewhomes.com'; 'dino@stateviewhomes.com'; 'egolden@blaney.com'; 'ckopach@blaney.com'; 'aparley@litigate.com'; 'Fabrizio.Filippazzo@york.ca'; 'iaversa@airdberlis.com'; 'mlici@airdberlis.com'; 'mlerner@litigate.com'; 'aslavens@torys.com'; 'MToshakovski@markham.ca'; 'Bola.Ogunmefun@york.ca'; 'cstorto@markham.ca'; 'jaspal@sanghaconstructionlaw.com'; 'bola.ogunmefun@york.ca'; 'laurac@chaitons.com'; 'george@chaitons.com'; 'dtouesnard@waterousholden.com'; 'mruberto@pallettvalo.com'; 'mgreco@pallettvalo.com'; 'jlong@kmlaw.ca'; 'naveed@faanadvisors.com'; 'naomi@faanadvisors.com'; 'cpresenza@parenteborean.com'; 'gborean@parenteborean.com'; 'davidcapulli@capullilaw.com'; 'barry@greenberglaw.ca'; 'ikatchin@foglers.com'; 'ebisceglia@lawtoronto.com'; 'sturajlich@lawtoronto.com'; 'Sidney@stealthmonitoring.com'; 'jwyly@stealthmonitoring.com'; 'adam@michaelcohenbarrister.ca'; 'michael@rousseauamazzuca.com'; 'francois@ctllaw.com'; 'frank@frankfeldmanlaw.com'; 'dresnick@kmlaw.ca'; 'jharnum@kmlaw.ca'; 'dpresta@bianchipresta.com'; 'rhammond@hammondflerias.com'; 'peter@emecorp.ca'; 'awood@dllaw.ca'; 'jeremy@kadishlaw.com'; 'rmoubarak@sutherlaw.com'; 'jeff.larry@paliareroland.com'; 'daniel.rosenbluth@paliareroland.com'; 'mkaplan@foglers.com'; 'mwasserman@osler.com'; 'drosenblat@osler.com'; 'dsterns@sotos.ca'; 'djalili@sotos.ca'; 'vdare@foglers.com'; 'jmaclellan@blg.com'; 'ryehia@blg.com'; 'kelly.smithwayland@justice.gc.ca'; 'sthom@torkinmanes.com'; 'dmann@torkinmanes.com'; 'sastolfo@weirfoulds.com'; Bai, Shirley; Meg Williams; Doug Chalke
Subject: RE: In the Matter of the Receivership of Stateview Homes (Minu Towns) Inc., et al [Court File No. CV-23-00698576-00CL] - Motion Returnable on November 16, 2023 at 12:00 p.m. ET
Attachments: Factum - KSV Restructuring Inc - Receiver - 10-NOV-23.pdf

Service List:

We are counsel to KSV Restructuring Inc., in its capacity as Court-appointed receiver and manager of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (High Crown Estates) Inc., TLSFD Taurasi Holdings Corp. et al (the “Receiver”).

Further to my email below, please find attached served upon you in accordance with the *Rules of Civil Procedure* and the E-Service Protocol of the Commercial List, the Factum of the Receiver in connection with the Receiver’s motion returnable **November 16, 2023 at 12:00 p.m. (ET) by videoconference** seeking: (i) an approval and vesting order (Minu Towns), (ii) an approval and vesting order (Nao Towns), (iii) an approval and vesting order (High Crown Estates), (iv) an

approval and vesting order (Taurasi Holdings), and (v) an ancillary matters and distribution order, each as further set out below, which Factum is hereby served on you.

If you intend on appearing at the hearing of the motion, please advise the undersigned to receive the virtual login details and to be added to the Court Participant Information Form.

Regards,



Cassels Brock & Blackwell LLP | cassels.com
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

From: Hoy, Alec

Sent: Friday, November 10, 2023 2:19 PM

To: 'zweigs@bennettjones.com' <zweigs@bennettjones.com>; 'nelmsa@bennettjones.com' <nelmsa@bennettjones.com>; 'Noah Goldstein' <ngoldstein@ksvadvisory.com>; 'bkofman@ksvadvisory.com' <bkofman@ksvadvisory.com>; 'mtallat@ksvadvisory.com' <mtallat@ksvadvisory.com>; 'jwong@ksvadvisory.com' <jwong@ksvadvisory.com>; Jacobs, Ryan <rjacobs@cassels.com>; Bellissimo, Joseph <jbellissimo@cassels.com>; Merskey, Alan <amerskey@cassels.com>; 'AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca' <AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca>; 'leslie.crawford@ontario.ca' <leslie.crawford@ontario.ca>; 'insolvency.unit@ontario.ca' <insolvency.unit@ontario.ca>; 'pat.confalone@cra-arc.gc.ca' <pat.confalone@cra-arc.gc.ca>; 'kross@markham.ca' <kross@markham.ca>; 'customerservice@markham.ca' <customerservice@markham.ca>; 'ghall@mccarthy.ca' <ghall@mccarthy.ca>; 'aship@mccarthy.ca' <aship@mccarthy.ca>; 'adobkin@mccarthy.ca' <adobkin@mccarthy.ca>; 'stanvir@mccarthy.ca' <stanvir@mccarthy.ca>; 'jennifer.stam@nortonrosefulbright.com' <jennifer.stam@nortonrosefulbright.com>; 'james.renihan@nortonrosefulbright.com' <james.renihan@nortonrosefulbright.com>; 'carlo@stateviewhomes.com' <carlo@stateviewhomes.com>; 'dino@stateviewhomes.com' <dino@stateviewhomes.com>; 'egolden@blaney.com' <egolden@blaney.com>; 'ckopach@blaney.com' <ckopach@blaney.com>; 'aparley@litigate.com' <aparley@litigate.com>; 'Fabrizio.Filippazzo@york.ca' <Fabrizio.Filippazzo@york.ca>; 'iaversa@airdberlis.com' <iaversa@airdberlis.com>; 'mlici@airdberlis.com' <mlici@airdberlis.com>; 'mlerner@litigate.com' <mlerner@litigate.com>; 'aslavens@torys.com' <aslavens@torys.com>; 'MToshakovski@markham.ca' <MToshakovski@markham.ca>; 'Bola.Ogunmefun@york.ca' <Bola.Ogunmefun@york.ca>; 'cstorto@markham.ca' <cstorto@markham.ca>; 'jaspal@sanghaconstructionlaw.com' <jaspal@sanghaconstructionlaw.com>; 'bola.ogunmefun@york.ca' <bola.ogunmefun@york.ca>; 'laurac@chaitons.com' <laurac@chaitons.com>; 'george@chaitons.com' <george@chaitons.com>; 'dtouesnard@waterousholden.com' <dtouesnard@waterousholden.com>; 'mruberto@pallettvalo.com' <mruberto@pallettvalo.com>; 'mgreco@pallettvalo.com' <mgreco@pallettvalo.com>; 'jlong@kmlaw.ca' <jlong@kmlaw.ca>; 'naveed@faanadvisors.com' <naveed@faanadvisors.com>; 'naomi@faanadvisors.com' <naomi@faanadvisors.com>; 'cpresenza@parenteborean.com' <cpresenza@parenteborean.com>; 'gborean@parenteborean.com' <gborean@parenteborean.com>; 'davidcapulli@capullilaw.com' <davidcapulli@capullilaw.com>; 'barry@greenberglaw.ca' <barry@greenberglaw.ca>; 'ikatchin@foglers.com' <ikatchin@foglers.com>; 'ebisceglia@lawtoronto.com' <ebisceglia@lawtoronto.com>; 'sturajlich@lawtoronto.com' <sturajlich@lawtoronto.com>; 'Sidney@stealthmonitoring.com' <Sidney@stealthmonitoring.com>; 'jwyly@stealthmonitoring.com' <jwyly@stealthmonitoring.com>; 'adam@michaelcohenbarrister.ca' <adam@michaelcohenbarrister.ca>; 'michael@rousseauamazzuca.com' <michael@rousseauamazzuca.com>; 'francois@ctlaw.com' <francois@ctlaw.com>; 'frank@frankfeldmanlaw.com' <frank@frankfeldmanlaw.com>; 'dresnick@kmlaw.ca' <dresnick@kmlaw.ca>; 'jharnum@kmlaw.ca' <jharnum@kmlaw.ca>; 'dpresta@bianchipresta.com' <dpresta@bianchipresta.com>; 'rhammond@hammondflerias.com' <rhammond@hammondflerias.com>; 'peter@emecorp.ca' <peter@emecorp.ca>; 'awood@dllaw.ca' <awood@dllaw.ca>; 'jeremy@kadishlaw.com' <jeremy@kadishlaw.com>; 'rmoubarak@sutherlaw.com' <rmoubarak@sutherlaw.com>; 'jeff.larry@paliareroland.com'

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Subject: RE: In the Matter of the Receivership of Stateview Homes (Minu Towns) Inc., et al [Court File No. CV-23-00698576-00CL] - Motion Returnable on November 16, 2023 at 12:00 p.m. ET

To the Service List:

We are counsel to KSV Restructuring Inc. in its capacity as the Receiver in the above named proceedings.

Further to my email below, please be advised that the hearing in this matter has been rescheduled for November 16, 2023 at 12:00 p.m. (ET) via videoconference.

If you would like to attend the hearing, please reply to me directly and I will provide you with the videoconference details.

Thank you,

Cassels | **ALEC HOY**
Associate
t: +1 416 860 2976
e: ahoy@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

From: Hoy, Alec

Sent: Wednesday, November 08, 2023 1:21 PM

To: zweigs@bennettjones.com; nelmsa@bennettjones.com; Noah Goldstein <ngoldstein@ksvadvisory.com>; bkofman@ksvadvisory.com; mtallat@ksvadvisory.com; jwong@ksvadvisory.com; Jacobs, Ryan <rjacobs@cassels.com>; Bellissimo, Joseph <bellissimo@cassels.com>; Merskey, Alan <amerskey@cassels.com>; Hoy, Alec <ahoy@cassels.com>; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; leslie.crawford@ontario.ca; insolvency.unit@ontario.ca; pat.confalone@cra-arc.gc.ca; kross@markham.ca; customerservice@markham.ca; ghall@mccarthy.ca; aship@mccarthy.ca; adobkin@mccarthy.ca; stanvir@mccarthy.ca; jennifer.stam@nortonrosefulbright.com; james.renihan@nortonrosefulbright.com; carlo@stateviewhomes.com; dino@stateviewhomes.com; egolden@blaney.com; ckopach@blaney.com; aparley@litigate.com; Fabrizio.Filippazzo@york.ca; iaversa@airdberlis.com; mlici@airdberlis.com; mlerner@litigate.com; aslavens@torys.com; MToshakovski@markham.ca; Bola.Ogunmefun@york.ca; cstorto@markham.ca; jaspal@sanghaconstructionlaw.com; bola.ogunmefun@york.ca; laurac@chaitons.com; george@chaitons.com; dtouesnard@waterousholden.com; mruberto@pallettvalo.com; mgreco@pallettvalo.com; jlong@kmlaw.ca; naveed@faanadvisors.com; naomi@faanadvisors.com; cpresenza@parenteborean.com; gborean@parenteborean.com; davidcapulli@capullilaw.com; barry@greenberglaw.ca; ikatchin@foglers.com; ebisceglia@lawtoronto.com; sturajlich@lawtoronto.com; Sidney@stealthmonitoring.com; jwyly@stealthmonitoring.com; adam@michaelcohenbarrister.ca; michael@rousseauamazuca.com; francois@ctlaw.com; frank@frankfeldmanlaw.com; dresnick@kmlaw.ca; jharnum@kmlaw.ca; dpresta@bianchipresta.com; rhammond@hammondfilesias.com; peter@emecorp.ca; awood@dlaw.ca; jeremy@kadishlaw.com; rmoubarak@sutherlaw.com; jeff.larry@paliareroland.com; daniel.rosenbluth@paliareroland.com; mkaplan@foglers.com; mwasserman@osler.com; drosenblat@osler.com; dsterns@sotos.ca; djalili@sotos.ca; vdare@foglers.com; jmaclellan@blg.com; ryehia@blg.com;

Subject: In the Matter of the Receivership of Stateview Homes (Minu Towns) Inc., et al [Court File No. CV-23-00698576-00CL] - Motion Returnable on November 14, 2023 at 10:00 am ET

Service List:

We are counsel to KSV Restructuring Inc., in its capacity as Court-appointed receiver and manager of Stateview Homes (Minu Towns) Inc. ("**Minu**"), Stateview Homes (Nao Towns) Inc. ("**Nao**"), Stateview Homes (High Crown Estates) Inc. ("**High Crown**"), TLSFD Taurasi Holdings Corp. ("**Taurasi Holdings**") et al (the "**Receiver**"). Please find attached and served upon you in accordance with the *Rules of Civil Procedure* and the E-Service Protocol of the Commercial List, the Notice of Motion of the Receiver in connection with the Receiver's motion returnable **November 14, 2023 at 10:00 a.m. (ET) by videoconference** seeking:

1. an approval and vesting order ("**Minu AVO**"), among other things,
 1. approving the sale transaction (the "**Minu Transaction**") in respect of certain of the property of Minu contemplated by an amended and restated agreement of purchase and sale ("**Minu APS**") between the Receiver and Delton Acquisitions Inc. ("**Delton**");
 2. following the Receiver's delivery of the Receiver's certificate substantially in the form attached as Schedule "A" to the proposed Minu AVO, transferring and vesting all of Minu's right, title and interest in and to the Purchased Assets (as defined in the Minu APS) in Delton, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;
 3. authorizing and directing the Receiver, on or prior to the closing of the Minu Transaction, to terminate and disclaim the homebuyer agreements of purchase and sale held by Minu as vendor; and
 4. sealing Confidential Appendix 4 to the Sixth Report of the Receiver dated November 8, 2023 (the "**Sixth Report**").
2. an approval and vesting order ("**Nao AVO**"), among other things,
 1. approving the sale transaction (the "**Nao Transaction**") in respect of certain of the property of Nao contemplated by an amended and restated agreement of purchase and sale ("**Nao APS**") between the Receiver and Delton;
 2. following the Receiver's delivery of the Receiver's certificate substantially in the form attached as Schedule "A" to the proposed Nao AVO, transferring and vesting all of Nao's right, title and interest in and to the Purchased Assets (as defined in the Nao APS) in Delton, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;
 3. authorizing and directing the Receiver, on or prior to the closing of the Nao Transaction, to terminate and disclaim the homebuyer agreements of purchase and sale held by Nao as vendor; and
 4. sealing Confidential Appendices 3 and 7 to the Sixth Report.
3. an approval and vesting order ("**High Crown AVO**"), among other things,
 1. approving the sale transaction (the "**High Crown Transaction**") in respect of certain of the property of High Crown contemplated by an amended and restated agreement of purchase and sale ("**High Crown APS**") between the Receiver and Delton;
 2. following the Receiver's delivery of the Receiver's certificate substantially in the form attached as Schedule "A" to the proposed High Crown AVO, transferring and vesting all of High Crown's right, title and interest in and to the Purchased Assets (as defined in the High Crown APS) in Delton, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances;
 3. authorizing and directing the Receiver, on or prior to the closing of the High Crown Transaction, to terminate and disclaim the homebuyer agreements of purchase and sale held by High Crown as vendor; and
 4. sealing Confidential Appendices 2 and 6 to the Sixth Report.
4. an approval and vesting order ("**TLSFD AVO**"), among other things,

1. approving the sale transaction (the “**TLSFD Transaction**”) in respect of certain of the property of Taurasi Holdings contemplated by an agreement of purchase and sale (“**TLSFD APS**”) between the Receiver and KingSett Real Estate Growth LP No. 8, by its general partner KingSett Real Estate Growth GP No. 8 Inc. (“**KingSett REG LP**”);
 2. following the Receiver’s delivery of the Receiver’s certificate substantially in the form attached as Schedule “A” to the proposed TLSFD AVO, transferring and vesting all of Taurasi Holdings’ right, title and interest in and to the Purchased Assets (as defined in the TLSFD APS) in KingSett REG LP, free and clear of all liens, charges, security interests and encumbrances other than permitted encumbrances; and
 3. sealing Confidential Appendices 1 and 5 to the Sixth Report.
5. An ancillary matters and distribution order, among other things,
1. authorizing the Receiver to make certain payments and distributions and maintain certain reserves from the proceeds from the Minu Transaction, Nao Transaction, High Crown Transaction, and TLSFD Transaction;
 2. approving the Sixth Report and the Receiver’s statement of receipts and disbursements and the Receiver’s activities described therein; and approving the fees and disbursements of the Receiver and its counsel, as detailed in the Sixth Report and the Fee Affidavits appended thereto.

Due to the size of the Receiver’s Motion Record, also attached are instructions to download the Motion Record, which we are concurrently working to upload to TitanFile. If you do not receive an email from TitanFile by the end of the day, please check your spam folder and contact me if you are not able to access the materials.

All materials in connection with the motion and these receivership proceedings will also be uploaded by the end of the day to the case website maintained by the Receiver at the following link:
<https://www.ksvadvisory.com/experience/case/stateview-homes>.

For purposes of the Participant Information Form, please reply to me directly if you will be attending the hearing.

Regards,

Cassels | **ALEC HOY**
Associate
t: +1 416 860 2976
e: ahoy@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

Appendix “D”



Participant Information Form

This form is to be used:

- in place of previous ‘counsel slips’, and
- for all hearings using the CaseLines document sharing platform. For these hearings, parties or their representatives are to complete the form and upload it into the CaseLines event folder/bundle.

Where possible, the moving party for the event should coordinate with other parties to complete one form for the hearing. In criminal matters, each party may prepare their own form.

This form must be saved using the court’s document naming convention (e.g. Participant Information – All Parties – 01-JUN-2021 or Participant Information – Defendant Smith – 01-JUN-2021).

CASE AND EVENT INFORMATION

Court File Number	CV-23-00698576-00CL
Court Location (e.g. Hamilton)	Toronto (393 University Avenue)
Case Name	Receivership Proceedings of Stateview Homes (Minu Towns) Inc., <i>et al</i>
Type of Hearing	Motion Hearing
Date of Hearing	November 16, 2023 at <u>12:00 P.M.</u>

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing <small>(and how they wish to be addressed, e.g. pronouns and/or prefix; also, if they wish, the phonetic pronunciation of their name)</small>	Name of Party	Phone Number	Email Address
Alan Merskey Joseph Bellissimo Alec Hoy	Cassels Brock & Blackwell LLP Counsel to the Receiver: KSV Restructuring Inc. (Nao Phase 1, Minu, On the Mark, High Crown and Taurasi Holdings Receiverships)	416.860.2948 416.860.6572 416.860.2976	amerskey@cassels.com jbellossimo@cassels.com ahoy@cassels.com
Noah Goldstein Murtaza Tallat	KSV Restructuring Inc. Receiver	416.932.6207 416.932.6031	ngoldstein@ksvadvisory.com mtallat@ksvadvisory.com

For Defendant, Responding Party, Defence:

Name of Person Appearing <small>(and how they wish to be addressed, e.g. pronouns and/or prefix; also, if they wish, the phonetic pronunciation of their name)</small>	Name of Party	Phone Number	Email Address

For Other:

Name of Person Appearing <small>(and how they wish to be addressed, e.g. pronouns and/or prefix; also, if they wish, the phonetic pronunciation of their name)</small>	Name of Party/ Organization	Phone Number	Email Address
Richard Swan Aidan Nelms	Bennett Jones LLP Counsel to KingSett Mortgage Corporation	416.777.7479 416.777.4642	swanr@bennettjones.com nelmsa@bennettjones.com
Eric Golden	Blaney McMurtry LLP	416.593.3927	egolden@blaney.com

	Counsel to Dorr Capital Corporation		
Meg Williams	Bennett Jones LLP Counsel to KingSett Real Estate Growth GP No. 8 Inc.	416.777.7809	williamsm@bennettjones.com
Shirley Bai	Fogler Rubinoff LLP Counsel to Delton Acquisitions Inc.	416.360.0181	sbai@foglers.com
Adam Slavens	Torys LLP Counsel to Tarion Warranty Corporation	416.865.7333	aslavens@torys.com
Andrew Parley Doug Chalke	Lenczner Slaght LLP Lawyers for Dino Taurasi, Carlo Taurasi and Dennie Taurasi	416.865.3093 416.865.3739	aparley@litigate.com dchalke@litigate.com
David Capulli	Capulli Law LLP Counsel to Ragno Electric Ltd.	647.504.6878	davidcapulli@capullilaw.com
Gerard Borean	Parente Borean LLP Counsel to 2515792 Ontario Inc. and Auriva Stone Design Inc.	905.850.6068	gborean@parenteborean.com
Jaspal Sangha	Sangha Construction Law Counsel to Generation Carpentry	647.802.1991	jaspal@sanghaconstructionlaw.com
Jeffrey Long	Koskie Minsky LLP Counsel for Best Rental Services Inc, Con-Drain Company (1983) Limited, Pro-Star Excavating & Grading Ltd, Fellmore Electrical Contractors Ltd.	416.595.2125	jlong@kmlaw.ca
Kelly Smith Wayland	Department of Justice Counsel for Canada Revenue Agency	647.533.7183	Kelly.smithwayland@justice.gc.ca
Stewart Thom	Torkin Manes LLP Counsel to Reliance Comfort Limited Partnership (d/b/a Reliance Home Comfort)	416.777.5197	sthom@torkinmanes.com
Alyssa K. Wiebe	Rousseau Mazzuca LLP Counsel to Pasquale Bono, trustee for the Carpenter's Local 26 Benefit Trust Fund (Low-Rise Trim) and Carpenters and Allied Workers, Local 27, United Brotherhood of Carpenters and Joiners of America	416.304.9899	Alyssa@rousseaumazzuca.com
Dominic Presta John Sestito	Bianchi Presta LLP Counsel to Schaeffer & Associates Ltd. Giancola Aluminum Contractors Inc., Ganiva Trim Carpentry, Maple Drywall Inc & North York Tile Contractors Ltd	905.738.0528 905.738.1078	dpresta@bianchipresta.com jsestito@bianchipresta.com
Taz Yailaqi Garth Dingwall	R & D LLP Counsel to Lot Purchasers		taz@rdlegal.ca garth@rdlegal.ca
Matthew Valitutti	Valitutti Law Counsel to Jonny Calle and Susanna Calle, Lot Purchaser	437.836.3063	matthew@valituttillaw.com
Laman Meshadiyeva	Counsel to Ramez Samir, Lot Purchaser	905.669.4774	Laman.Meshadiyeva@gmail.com
Mandy Chan	Lot Purchaser		Mandychan_4590@yahoo.com.hk
Rick Wong	Lot Purchaser		Rwong19@gmail.com
Mani Sethi	Lot Purchaser		Muneesh_sethi@hotmail.com
Irene	Lot Purchaser		irenekwuong@gmail.com
Jessie Chu	Lot Purchaser		Day_night83@hotmail.com

Marcele Ward	Lot Purchaser		Marcele.ward@gmail.com
Kyle Wong	Lot Purchaser		Kylewong232@hotmail.com
Stanley Feng	Lot Purchaser		Pinjiang.feng@gmail.com
Alaeddin Khalighi	Lot Purchaser		Allaff123@yahoo.ca
Jing Lin	Lot Purchaser		Jilin6966@gmail.com
Grace Dai	Lot Purchaser		guifeidai@gmail.com
Adil Mahboob	Lot Purchaser		Mahboob.adil@gmail.com
Shirley Leung	Lot Purchaser		Shirley.ca.land@gmail.com
Anthony Sangiuliano	Lot Purchaser		Ar.sangiuliano@gmail.com
Stephanie Lee	Lot Purchaser		leestephaniecheryl@gmail.com
Lily Liu	Lot Purchaser		Lpll2008ca@gmail.com
Vasu Banga	Lot Purchaser		Vasubanga143@gmail.com
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Steve A	Lot Purchaser		Stevena09@gmail.com
Dominic Sorbara	Lot Purchaser		domenic@soldbythepropertyguy.ca
Japesh	Lot Purchaser		japeshm@gmail.com
Jay Patel	Lot Purchaser		Jaypazel88@gmail.com
Nicholas Bong	Lot Purchaser		Nicholas.bong@gmail.com
Roman Orlov	Lot Purchaser		r.orlov@gmail.com
Shumyla Alvi	Lot Purchaser		Srb_alvi@hotmail.com
Oliver Yu	Lot Purchaser		Oly185@gmail.com
Tony Ciccone	Lot Purchaser		tciccone@rogers.com
Lily Lee	Lot Purchaser		Lilyli3290@gmail.com
Joseph Capano	Lot Purchaser		Jp.capano@gmail.com
Lemuel Layda	Lot Purchaser		Lemmy.layda@yahoo.com
Mingde Fang	Lot Purchaser		Samsonfang84@gmail.com
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Zia Khan	Lot Purchaser		khanzia@gmail.com
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Marcele Ward	Lot Purchaser		Marcele.ward@gmail.com
Rubina Siddiqi	Lot Purchaser		rubinasiddiqi@hotmail.com
Wen Wen	Lot Purchaser		Ww_8131@hotmail.com
Muhammad Afzal	Lot Purchaser		Muhd.afzal1955@gmail.com
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Audrey Sheba	Lot Purchaser		Audrey.sheba@gmail.com
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Joanne Ma	Lot Purchaser		joannema@rogers.com
Elaine Yeung	Lot Purchaser		elaineyeungtszling@gmail.com
Erik Jacobsen	Lot Purchaser		erik@realtorscollective.com
Neeraj D'Mello	Lot Purchaser		Neeraj.dmello@gmail.com
Mohammad Faisal Siddiqui	Lot Purchaser		faisalzarine@hotmail.com
Farihah Ali	Lot Purchaser		Farihah.ontcrism@gmail.com
Luiza Console	Lot Purchaser		Luiza.console@buck.com
Husein	Lot Purchaser		Alhusein.h@gmail.com
Kathy Lam	Lot Purchaser		Kathylam913@gmail.com
Kevin Tsui	Lot Purchaser		Tsui.k@me.com
Ihsan Ullah	Lot Purchaser		ihsan@samsaninc.ca
Jiayang Li	Lot Purchaser		Lnsy666@hotmail.com

Appendix “E”

Hoy, Alec

From: Hoy, Alec
Sent: Friday, November 17, 2023 12:02 PM
To: zweigs@bennettjones.com; nelmsa@bennettjones.com; Noah Goldstein; bkofman@ksvadvisory.com; mtallat@ksvadvisory.com; jwong@ksvadvisory.com; Jacobs, Ryan; Bellissimo, Joseph; Merskey, Alan; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; leslie.crawford@ontario.ca; insolvency.unit@ontario.ca; pat.confalone@cra-arc.gc.ca; kross@markham.ca; customerservice@markham.ca; ghall@mccarthy.ca; aship@mccarthy.ca; adobkin@mccarthy.ca; stanvir@mccarthy.ca; jennifer.stam@nortonrosefulbright.com; james.renihan@nortonrosefulbright.com; carlo@stateviewhomes.com; dino@stateviewhomes.com; egolden@blaney.com; ckopach@blaney.com; aparley@litigate.com; Fabrizio.Filippazzo@york.ca; iaversa@airdberlis.com; mlici@airdberlis.com; mlerner@litigate.com; aslavens@torys.com; MToshakovski@markham.ca; Bola.Ogunmefun@york.ca; cstorto@markham.ca; jaspal@sanghaconstructionlaw.com; bola.ogunmefun@york.ca; laurac@chaitons.com; george@chaitons.com; dtouesnard@waterousholden.com; mruberto@pallettvalo.com; mgreco@pallettvalo.com; jlong@kmlaw.ca; naveed@faanadvisors.com; naomi@faanadvisors.com; cpresenza@parenteborean.com; gborean@parenteborean.com; davidcapulli@capullilaw.com; barry@greenberglaw.ca; ikatchin@foglers.com; ebisceglia@lawtoronto.com; sturajlich@lawtoronto.com; Sidney@stealthmonitoring.com; jwyly@stealthmonitoring.com; adam@michaelcohenbarrister.ca; michael@rousseau Mazzuca.com; francois@ctlaw.com; frank@frankfeldmanlaw.com; dresnick@kmlaw.ca; jharnum@kmlaw.ca; dpresta@bianchipresta.com; rhammond@hammondflcias.com; peter@emecorp.ca; awood@dllaw.ca; jeremy@kadishlaw.com; rmoubarak@sutherlaw.com; jeff.larry@paliarerland.com; daniel.rosenbluth@paliarerland.com; mkaplan@foglers.com; mwasserman@osler.com; drosenblat@osler.com; dsterns@sotos.ca; djalili@sotos.ca; vdare@foglers.com; jmaclellan@blg.com; ryehia@blg.com; kelly.smithwayland@justice.gc.ca; sthom@torkinmanes.com; dmann@torkinmanes.com; sastolfo@weirfoulds.com; jlong@kmlaw.ca; chaworth@rhlawoffices.com; rsantarsieri@isncanada.ca; Ratna.Muralitharan@sky-acoustics.com; info@aspirals.ca; info@j2products.com; rochus@j2products.com; info@cityviewhomes.ca; evan@cityviewhomes.ca; info@costamarble.com; Dominic Boucher; Miguel Angers; adam@michaelcohenbarrister.ca; mruberto@pallettvalo.com; jaspal@sanghaconstructionlaw.com; EBisceglia@lawtoronto.com; awood@dllaw.ca; John Sestito; peter@emecorp.ca; Daniel Resnick
Subject: RE: In the Matter of the Receivership of Stateview Homes (Minu Towns) Inc., et al [Court File No. CV-23-00698576-00CL] - Motion Returnable on November 16, 2023 at 12:00 pm ET
Attachments: Ancillary and Distribution Order - CV-23-00698576-00CL Kingsett v Stateview 16-Nov-23.pdf; AVO Order - CV-23-00698576-00CL Kingsett v Stateview TLSFD - 16-Nov-23.pdf; AVO Order - CV-23-00698576-00CL Kingsett v Stateview Nao - 16-Nov- 23.pdf; AVO Order - CV-23-00698576-00CL Kingsett v Stateview Minu - 16-Nov- 23.pdf; AVO Order - CV-23-00698576-00CL Kingsett v Stateview High Crown - 16-Nov- 23.pdf; CV-23-00698576-00CL Kingsett v Stateview et al Endorsement Nov 16 23.pdf

Service List:

We are counsel to KSV Restructuring Inc., in its capacity as Court-appointed receiver and manager of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (High Crown Estates) Inc., TLSFD Taurasi Holdings Corp. et al (the “Receiver”).

Further to the Receiver’s motion heard on November 16, 2023 at 12:00 p.m. (ET) before the Honourable Justice Peter Osborne, attached are the following issued orders and endorsement:

1. Approval and Vesting Order (Minu Towns);
2. Approval and Vesting Order (Nao Towns);
3. Approval and Vesting Order (High Crown Estates);
4. Approval and Vesting Order (Taurasi Holdings);
5. Ancillary Matters and Distribution Order; and
6. Endorsement of Osborne, J. dated November 16, 2023.

Thank you,



Cassels Brock & Blackwell LLP | cassels.com
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

From: Hoy, Alec

Sent: Thursday, November 16, 2023 10:57 AM

To: zweigs@bennettjones.com; nelmsa@bennettjones.com; Noah Goldstein <ngoldstein@ksvadvisory.com>; bkofman@ksvadvisory.com; mtallat@ksvadvisory.com; jwong@ksvadvisory.com; Jacobs, Ryan <rjacobs@cassels.com>; Bellissimo, Joseph <jbellissimo@cassels.com>; Merskey, Alan <amerskey@cassels.com>; Hoy, Alec <ahoy@cassels.com>; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; leslie.crawford@ontario.ca; insolvency.unit@ontario.ca; pat.confalone@cra-arc.gc.ca; kross@markham.ca; customerservice@markham.ca; ghall@mccarthy.ca; aship@mccarthy.ca; adobkin@mccarthy.ca; stanvir@mccarthy.ca; jennifer.stam@nortonrosefulbright.com; james.renihan@nortonrosefulbright.com; carlo@stateviewhomes.com; dino@stateviewhomes.com; egolden@blaney.com; ckopach@blaney.com; aparley@litigate.com; Fabrizio.Filippazzo@york.ca; iaversa@airdberlis.com; mlici@airdberlis.com; mlerner@litigate.com; aslavens@torys.com; MToshakovski@markham.ca; Bola.Ogunmefun@york.ca; cstorito@markham.ca; jaspal@sanghaconstructionlaw.com; bola.ogunmefun@york.ca; laurac@chaitons.com; george@chaitons.com; dtouesnard@waterousholden.com; mruberto@pallettvalo.com; mgreco@pallettvalo.com; jlong@kmlaw.ca; naveed@faanadvisors.com; naomi@faanadvisors.com; cpresenza@parenteborean.com; gborean@parenteborean.com; davidcapulli@capullilaw.com; barry@greenberglaw.ca; ikatchin@foglers.com; ebisceglia@lawtoronto.com; sturajlich@lawtoronto.com; Sidney@stealthmonitoring.com; jwyly@stealthmonitoring.com; adam@michaelcohenbarrister.ca; michael@rousseauamazzuca.com; francois@ctllaw.com; frank@frankfeldmanlaw.com; dresnick@kmlaw.ca; jharnum@kmlaw.ca; dpresta@bianchipresta.com; rhammond@hammondflcias.com; peter@emecorp.ca; awood@dllaw.ca; jeremy@kadishlaw.com; rmoubarak@sutherlaw.com; jeff.larry@paliareroland.com; daniel.rosenbluth@paliareroland.com; mkaplan@foglers.com; mwasserman@osler.com; drosenblat@osler.com; dsterns@sotos.ca; djalili@sotos.ca; vdare@foglers.com; jmaclellan@blg.com; ryehia@blg.com; kelly.smithwayland@justice.gc.ca; sthom@torkinmanes.com; dmann@torkinmanes.com; sastolfo@weirfoulds.com

Subject: In the Matter of the Receivership of Stateview Homes (Minu Towns) Inc., et al [Court File No. CV-23-00698576-00CL] - Motion Returnable on November 16, 2023 at 12:00 pm ET

Service List:

We are counsel to KSV Restructuring Inc., in its capacity as Court-appointed receiver and manager of Stateview Homes (Minu Towns) Inc., Stateview Homes (Nao Towns) Inc., Stateview Homes (High Crown Estates) Inc., TLSFD Taurasi Holdings Corp. et al (the “Receiver”).

In connection with the Receiver’s motion returnable **November 16, 2023 at 12:00 p.m. (ET) by videoconference**, please find attached amended and updated versions of the following orders:

1. Approval and Vesting Order (Minu Towns);
2. Approval and Vesting Order (Nao Towns);
3. Approval and Vesting Order (High Crown Estates);
4. Approval and Vesting Order (Taurasi Holdings); and
5. Ancillary Matters and Distribution Order.

Also attached are blacklines for each order, as against the versions included in the Motion Record of the Receiver dated November 8, 2023, indicating the changes that have been made in the attached.

Thank you,

Cassels

ALEC HOY

Associate

t: +1 416 860 2976

e: ahoy@cassels.com

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40 Temperance St.

Toronto, Ontario M5H 0B4 Canada

Appendix “F”

Hoy, Alec

From: Merskey, Alan
Sent: Tuesday, January 23, 2024 9:37 AM
To: David Sterns; Denna Pourmonazah Jalili
Cc: Bobby Kofman; Noah Goldstein; Jeffrey Larry - Paliare Roland Rosenberg Rothstein LLP (jeff.larry@paliareroland.com); Bellissimo, Joseph
Subject: Stateview et al ats Mehata [IWOV-LEGAL.FID4316334]

David, Denna,

I am writing further to our call of January 19, 2024.

While a number of positions were expressed, it would not be useful to belabour them further here. I confirm as follows:

1. It is the Receiver's view that in light of Justice Steele's decision of December 22, there is no scenario in which your clients can achieve priority over the secured creditors, and therefore have any entitlement to the current and future proceeds of the estate. As a result, and as advised on the call, the Receiver intends to proceed with the distribution of proceeds of realization as they arise, including those now existing, and without regard to your clients' claims;
2. You have asked the Receiver to provide copies of any insurance that might affect your intended class proceeding. As noted, the Receiver does not have possession of that information. The Receiver is prepared to seek that information from the Stateview principals, as long as we have your consent to disclose the source of the inquiry; and
3. Denna has under separate cover inquired as to the status of certain notices that might assist homeowners in submitting their warranty claims to Tarion. We are making inquiries on that question and will respond in due course.

Best regards

Cassels | **ALAN MERSKEY** *(he/him/his)*
Partner
t: +1 416 860 2948
e: amerskey@cassels.com

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Appendix “G”



180 Dundas Street West, Suite 1200
Toronto, Ontario M5G 1Z8
www.sotosclassactions.com

David Sterns

Phone: 416.977.5229

Email: dsterns@sotos.ca

File No: 29217

January 29, 2024

WITH PREJUDICE

VIA EMAIL to amerskey@cassels.com

Alan Merskey
Cassels, Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St., Toronto ON M5H 0B4

Dear Mr. Merskey:

Re: Stateview et al. ats Mehta (Court File No. CV-23-00706866-00CP)

We are writing in response to your e-mail dated January 23, 2024, where you confirmed a number of steps the Receiver expects to take in respect of the ongoing Receivership Proceedings and above-captioned matter (the “**Class Action**”). Our responses to each issue set out in your e-mail is below.

1) Distribution of funds without holdbacks / regard to the Class Action

You state that the Receiver interprets Justice Steele’s decision in respect of the Tarion motion as foreclosing the possibility of our client being successful in making any trust claims under the *Condominium Act* that rank ahead of the priority of the secured creditors. Accordingly, the Receiver will distribute the sale proceeds without holding back any amounts.

As you are aware, the issue of a statutory trust under the *Condominium Act* was not put before Justice Steele in the Tarion motion. Her Honour’s decision was based on an express trust created by contract and subordinated by contract. It did not deal with a statutory trust and we are not aware of any case law that would extend the ruling to a statutory trust. The Receiver’s view is therefore based on conjecture. The Receiver could have asked for a determination from Justice Steele on this point but chose not to do so.

Further, in the Receiver’s materials for a motion seeking various approvals before Justice Osborne on November 14, 2023, the Receiver disclosed the existence of our client’s *Condominium Act* trust claims to the Court and stated that there may need to be a separate motion to resolve same.

Our view is that the Receiver’s reliance on Justice Steele’s decision is incorrect. We will ask that the issue be determined in the Class Action. We therefore ask that the Receiver hold back from distribution an amount sufficient to discharge the *Condominium Act* trust claim in full. If the Receiver ignores the statutory trust that we allege, then it does do so with knowledge that it may be liable for any amounts our client may establish as having priority over the claims of the secured creditors.

Moreover, the Receiver has a duty to value the claims made against it, including our client's trust-based claims under the *Condominium Act*. Such value will be equal to the percentage value of the common elements for each of the Projects as compared to the total value of the deposits collected. The Receiver is uniquely positioned to conduct this valuation given its informational advantage vis-à-vis our client, its obligations to all creditors including the homebuyers, and its refusal thus far to produce any records that may assist our client in carrying out such a valuation.

Please confirm whether the Receiver will value our trust-based claim.

2) Insurance Policies

Counsel for Carlo Taurasi and Dino Taurasi have separately confirmed that there are no insurance policies that would satisfy judgement for the Class Action or reimburse the directors and officers of the Stateview companies for any amounts they pay in satisfaction of same. Unless the Receiver has any reason to suspect the contrary, we do not require the Receiver's assistance on this issue at this time.

3) Financial Records in the Possession of the Receiver

Please confirm the following:

- a) The Stateview entities for which the Receiver does and does not have financial records in its possession;
- b) The format of any financial records the Receiver has in its possession;
- c) Whether the Receiver can confirm it will continue to preserve these records once the Receivership Proceedings conclude; and
- d) Who the Receiver believes has possession of the financial records of the non-receivership Stateview entities.

Kindly provide us with your response by no later than **February 7, 2024**.

Yours truly,
SOTOS LLP

A handwritten signature in black ink that reads 'David Sterns'.

David Sterns

DS/

c. Jeffrey Larry, Paliare Roland Rosenberg Rothstein LLP, jeff.larry@paliareroland.com

Appendix “H”

Hoy, Alec

From: Merskey, Alan
Sent: Friday, February 16, 2024 3:44 PM
To: Denna Pourmonazah Jalili; Jeff.Larry@paliareroland.com; David Sterns
Cc: Daniel.Rosenbluth@paliareroland.com; bkofman@ksvadvisory.com; Jwong@ksvadvisory.com; Bellissimo, Joseph; ngoldstein@ksvadvisory.com
Subject: RE: Highview Distribution

Denna,

The Receiver confirms that it continues to hold the \$170k on Highview and that there have been no sale transactions on Bea or Elm.

The Receiver does not maintain any holdbacks for the class action from the sale of the other residential development projects.

As set out in para 8.3.3 of the Sixth Report, “if applicable, in the event that the Project Transactions and the smaller additional priority issues raised in the Proposed Class Action remains unresolved, the Receiver will reserve appropriate amounts from the net purchase proceeds, on agreement of the affected creditors or on further order of the Court”.

A similar notation was made by Justice Osborne in his endorsement of November 16, 2023, authorizing the future distributions “depending on the result in the Tarion Priority Motion, certain reserves or holdbacks may also be required to address certain additional priority claims asserted in the Proposed Class Action”.

Given that Tarion was entirely unsuccessful on its motion, no additional holdbacks were required or anticipated, as the Receiver notified you in my email of January 23, 2024. In accordance with that communication, the Receiver proceeded with the previously authorized distributions (prior to receipt of your letter of January 29, 2024) and does not hold any funds on account of these claims.

Best regards

Cassels | **ALAN MERSKEY** *(he/him/his)*
Partner
t: +1 416 860 2948
e: amerskey@cassels.com

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40 Temperance St.
Toronto, Ontario M5H 0B4 Canada

Appendix “I”



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

(Court Seal)

DHARMI MEHTA

Plaintiff

and

STATEVIEW HOMES (BEA TOWNS) INC., STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (NAO TOWNS II) INC., STATEVIEW HOMES (ELM&CO) INC., HIGHVIEW BUILDING CORP INC., STATEVIEW HOMES (ON THE MARK) INC., DANIEL CICCONE, CARLO TAURASI, DINO TAURASI, MELISSA TAURASI, NELDA TAURASI, STEPHANIE LYNN CONSOLE, JANE DOE, JOHN DOE, ABC INC. and XYZ INC.

Defendants

STATEMENT OF CLAIM

Proceeding under the *Class Proceedings Act, 1992*

TO THE DEFENDANT

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the Plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

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If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date _____ Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 8th Floor
Toronto ON M5G 1R7

TO: Stateview Homes (BEA Towns) Inc.
AND TO: Stateview Homes (Minu Towns) Inc.
AND TO: Stateview Homes (Nao Towns) Inc.
AND TO: Stateview Homes (Nao Towns II) Inc.
AND TO: Stateview Homes (Elm&Co) Inc.
AND TO: Highview Building Corp Inc.
AND TO: Stateview Homes (On the Mark) Inc.
AND TO: Daniel Ciccone
AND TO: Carlo Taurasi

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AND TO: Dino Taurasi

AND TO: Melissa Taurasi

AND TO: Nelda Taurasi

AND TO: Stephanie Lynn Console

AND TO: Jane Doe

AND TO: John Doe

AND TO: ABC Inc.

AND TO: XYZ Inc.

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CLAIM

1. The Plaintiff, Dharmi Mehta (the “**Plaintiff**”), claims on behalf of herself and all members of the Proposed Class (defined below):

- (a) an order certifying this action as a class proceeding and appointing the Plaintiff as representative plaintiff of the Proposed Class;
- (b) a declaration that members of the Proposed Class are the beneficial owners of the Deposit Funds (defined below) and products derived from them under:
 - (i) a statutory trust pursuant to s. 78(1)(3) and/or s. 81 of the *Condominium Act, 1998*, S.O. 1998, c. 19 (the “**Condominium Act**”); and/or
 - (ii) a resulting trust and/or constructive trust in accordance with the Condominium Act, common law and principles of equity;
- (c) a court-ordered charge and/or equitable lien on the property of the Defendants;
 - (i) as against the corporate Defendants, a declaration that the charge and/or equitable lien in respect of the trust funds rank:
 - (1) immediately behind the Receiver’s Charge, the Receiver’s Borrowings Charge (each, as defined in the Receivership Orders) and the charges set out in 14.06(7), 81.4(4) and 81.6(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**Super-priority Charges**”), and ahead of the claims of all other creditors;

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- (2) in the alternative, immediately behind each of the Super-priority Charges and the secured claims of registered mortgagees and ahead of the claims of all other creditors; and
- (3) in the further alternative, in other priority to the claims of ordinary unsecured creditors;
- (d) a certificate of pending litigation (“CPL”) registered on the real property of the individual Defendants located at 48 Puccini Drive, Richmond Hill, Ontario, Canada L4E 2Y6 and 48a Puccini Drive, Richmond Hill, Ontario, Canada L4E 2Y6, with the following legal description: Part L5 25 PL M807, Part 2, 65R-37960;
- (e) a declaration that the corporate Defendants, or any of them, owed fiduciary duties to the Proposed Class in respect of the Deposit Funds;
- (f) a declaration that the corporate Defendants, or any of them, breached their fiduciary duties to the Proposed Class;
- (g) a declaration that all or some of the individual defendants, Carlo Taurasi, Dino Taurasi, Daniel Ciccone, Melissa Taurasi, Nelda Taurasi, Stephanie Lynn Console and persons unknown, knowingly assisted the corporate Defendants in breaching their fiduciary duties to the Proposed Class;
- (h) a declaration that all or some of the individual defendants, Carlo Taurasi, Dino Taurasi, Daniel Ciccone, Melissa Taurasi, Nelda Taurasi, Stephanie Lynn Console

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and persons unknown, knowingly received property obtained through breaches of trust obligations to the Proposed Class;

- (i) a tracing remedy in respect of the Deposit Funds, and any products derived from same, for the benefit of the Proposed Class;
- (j) as against the corporate Defendants, \$229,500,000 in damages for breach of contract;
- (k) a declaration that members of the Proposed Class are “complainants” under s. 245 of the *Business Corporations Act*, R.S.O. 1990, C. B. 16 (the “**OBCA**”);
- (l) a declaration that the Proposed Class was oppressed by the corporate Defendants under the OBCA;
- (m) a declaration that the directors and officers of the corporate Defendants, Carlo Taurasi, Dino Taurasi and Daniel Ciccone, are personally liable for the oppressive conduct of the corporate Defendants;
- (n) compensation pursuant s. 248(3)(j) of the OBCA in the amount of \$77,322,000;
- (o) in the alternative, damages for negligence, fraudulent and/or negligent misrepresentation, unjust enrichment, knowing assistance in breach of fiduciary duty and/or knowing receipt of trust property for \$77,322,000;
- (p) prejudgment interest in accordance with section 128 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;

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- (q) postjudgment interest in accordance with section 129 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
- (r) the costs of this proceeding, plus all applicable taxes; and
- (s) such further and other relief as this Honourable Court may deem just.

I. PARTIES

2. The Plaintiff is an individual ordinarily resident in Toronto, Ontario. On January 15, 2021, the Plaintiff, as purchaser, entered into an Agreement of Purchase and Sale with the Defendant, Highview Building Corp Inc. (“**Highview**”), as vendor, for the sale of a pre-construction residential unit located at 99 Nashville Road, Kleinberg, Ontario.

3. The Defendant, Highview, is a corporation incorporated pursuant to the laws of Ontario. Highview is a single-purpose real estate development company that owns the real property located at 88 Nashville Road and 99 Nashville Road, Kleinberg, Ontario. On May 2, 2023, KSV Advisory Inc. (the “**Receiver**”) was appointed court-ordered receiver over all of the assets, undertakings and properties of Highview, pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and s. 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”).

4. The Defendant, Stateview Homes (BEA Towns) Inc. (“**Bea Towns**”), is a corporation incorporated pursuant to the laws of Ontario. Bea Towns is a single-purpose real estate development company that owns the real property located at 189 Summerset Drive, Barrie,

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Ontario. On May 2, 2023, the Receiver was appointed court-ordered receiver over all of the assets, undertakings and properties of Bea Towns, pursuant to s. 243(1) of the BIA and s. 101 of the CJA.

5. The Defendant, Stateview Homes (Minu Towns) Inc. (“**Minu Towns**”), is a corporation incorporated pursuant to the laws of Ontario. Minu Towns is a single-purpose real estate development company that owns the real property located at 9940 Ninth Line, Markham, Ontario. On May 2, 2023, the Receiver was appointed court-ordered receiver over all of the assets, undertakings and properties of Minu Towns, pursuant to s. 243(1) of the BIA and s. 101 of the CJA.

6. The Defendant, Stateview Homes (Nao Towns) Inc. (“**Nao Towns**”), is a corporation incorporated pursuant to the laws of Ontario. Nao Towns is a single-purpose real estate development company that owns the real property located 5112, 5122, 5248 14th Avenue, Markham, Ontario. On May 2, 2023, the Receiver was appointed court-ordered receiver over all of the assets, undertakings and properties of Nao Towns, pursuant to s. 243(1) of the BIA and s. 101 of the CJA.

7. The Defendant, Stateview Homes (Nao Towns II) Inc. (“**Nao Towns II**”), is a corporation incorporated pursuant to the laws of Ontario. Nao Towns II is a single-purpose real estate development company that owns the real property located 7810, 7822, 7834, 7846 McCowan Road, Markham, Ontario. On May 2, 2023, the Receiver was appointed court-ordered receiver over all of the assets, undertakings and properties of Nao Towns II, pursuant to s. 243(1) of the BIA and s. 101 of the CJA.

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8. The Defendant, Stateview Homes (High Crown Estates) Inc. (“**High Crown**”), is a corporation incorporated pursuant to the laws of Ontario. High Crown is a single-purpose real estate development company that owns the real property located at 13151 – 13161 Keele Street, King City, Ontario. On May 2, 2023, the Receiver was appointed court-ordered receiver over all of the assets, undertakings and properties of High Crown, pursuant to s. 243(1) of the BIA and s. 101 of the CJA.

9. The Defendant, Stateview Homes (On the Mark) Inc. (“**On the Mark**”), is a corporation incorporated pursuant to the laws of Ontario. On the Mark is a single-purpose real estate development company that owns the real property located at 16th Avenue and Woodbine Avenue, Markham, Ontario. On May 2, 2023, the Receiver was appointed court-ordered receiver over all of the assets, undertakings and properties of On the Mark pursuant to s. 243(1) of the BIA and s. 101 of the CJA. On September 14, 2023, On the Mark was assigned into bankruptcy under the BIA, with the Receiver appointed its trustee.

10. The Defendant, Stateview Homes (Elm&Co) Inc. (“**Elm**”), is a corporation incorporated pursuant to the laws of Ontario. Elm is a single-purpose real estate development company that owns the real property located at 12942 York Durham Line, Stouffville, Ontario. On May 18, 2023, the Receiver was appointed court-ordered receiver over all of the assets, undertakings and properties of Elm, pursuant to s. 243(1) of the BIA and s. 101 of the CJA.

11. The Defendant, Carlo Taurasi (“**Carlo**”), is a director, officer and principal of Highview, Bea Towns, Minu Towns, Nao Towns, Nao Towns II, High Crown, On the Mark and Elm (collectively, hereinafter, the “**Stateview Defendants**”).

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12. The Defendant, Dino Taurasi (“**Dino**”), is a director, officer and principal of the Stateview Defendants.

13. The Defendant, Daniel Ciccone (“**Daniel**”), is a director, officer and principal of the Stateview Defendants.

14. The Defendant, Melissa Taurasi (“**Melissa**”) is an individual that ordinarily resides in Ontario. Melissa is the spouse of Carlo.

15. The Defendant, Nelda Taurasi (“**Nelda**”) is an individual that ordinarily resides in Ontario. Nelda is the spouse of Dino.

16. The Defendant, Stephanie Lynn Console (“**Stephanie**”) is an individual that ordinarily resides in Ontario. At the material times, Stephanie was the spouse of Daniel.

17. ABC Inc., XYZ Inc., John Doe and Jane Doe are pseudonyms for corporations and individuals unknown that knowingly received proceeds from the Deposit Funds (defined below) and/or knowingly assisted the Stateview Defendants in breaching their fiduciary duties to the Proposed Class.

18. The Plaintiff seeks to represent the following class (the “**Proposed Class**”):

All persons who entered into Agreements of Purchase and Sale (the “**Purchase Agreements**”) with one or more of the Stateview Defendants for pre-construction residential units and/or an undivided share in the common elements of a common elements condominium corporation and paid deposits to one of more of the Stateview Defendants in

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furtherance of their Purchase Agreements. There are approximately 765 members of the Proposed Class.

II. FACTS

a. The Stateview Defendants

19. The Stateview Defendants are a collection of single-purpose real estate development companies in the business of constructing residential units (the “**Projects**”). At all material times, Carlo, Dino and Daniel were directors, officers and principals of each of the Stateview Defendants, and were directly involved in each of their day-to-day activities. In particular, Carlo, Dino and Daniel participated in the negotiation of the Purchase Agreements and every aspect of the Projects.

20. The Projects were organized as common element condominiums (“**CEC**” or “**CECs**”). Under a CEC model, individuals hold freehold titles to specific land parcels which are linked to an undivided common interest in the CEC. This ownership structure combines the individual land ownership with shared interest in the common elements.

21. Beginning no later than January 15, 2021, the Stateview Defendants started entering into pre-construction Purchase Agreements with the Proposed Class. The Purchase Agreements are standardized, or substantially similar, across all the Projects.

22. Pursuant to the Purchase Agreements, the Stateview Defendants were contractually required to incorporate a corporation under the Condominium Act that would serve as the Common Elements Condominium Corporation (“**CEC Corporation**”). The Stateview Defendants were

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further obligated to hold in trust any monies they collected from the Proposed Class on behalf of the yet-to-be incorporated CEC Corporations.

23. As part of the Purchase Agreements, the Proposed Class paid deposits to the Stateview Defendants (the “**Deposit Funds**”). According to the First Report of the Receiver, dated May 30, 2023 (the “**First Report**”), the Proposed Class paid deposits to the Stateview Defendants, totalling at least \$77,322,000. These amounts are broken down as follows:

Project	(unaudited)	
	# of Homebuyers	Deposits (\$000s)
Minu	147	19,208
Nao Phase I	96	7,680
High Crown	47	4,933
On the Mark ²	32	4,218
Nao Phase II	76	7,617
Highview	4	None
BEA	218	17,440
Elm	145	16,076
Total	765	77,172

24. None of the Deposits Funds were held in trust by the Stateview Defendants. As of the date of this pleading, none of the Deposit Funds have been paid back to members of the Proposed Class.

25. The Receiver erroneously states that Highview received zero dollars in deposits. The Plaintiff personally paid a \$150,000 deposit to Highview through three separate cheques dated January 14, 2021, March 30, 2021, and May 30, 2021, in accordance with the Purchase Agreement. Highview’s books should specify that it received at least \$150,000 in deposits from the Proposed Class.

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b. Financial Troubles, the Cheque-Kiting Fraud and Subsequent Insolvency of the Stateview Defendants

26. Shortly after the execution of the Purchase Agreements and receipt of the Deposit Funds, the Stateview Defendants began experiencing serious financial difficulties and liquidity shortages. These financial woes emerged before construction of many of the Projects had commenced, notwithstanding that the Stateview Defendants were in receipt of at least \$77,322,000 in deposits and \$349,945,000 in various types of credit.

27. Due to the early onset of these financial challenges, the Stateview Defendants pursued illicit strategies to secure extra liquidity. One such strategy involved granting unauthorized mortgages on their real property. The Stateview Defendants proceeded with these unauthorized mortgages despite knowing that same would be in breach of their contractual obligations to existing creditors. Examples include, but are not limited to:

- (a) On December 16, 2022, Elm granted an unauthorized \$20,850,000 mortgage to Bergo Investment Limited, MCO Management Inc., and Tony Karamitsos;
- (b) On December 16, 2022, Bea Towns granted an unauthorized \$20,850,000 mortgage to Bergo Investment Limited, MCO Management Inc., and Tony Karamitsos;
- (c) On December 22, 2022, Highview granted an unauthorized \$5,300,000 mortgage to MCO Management Inc; and
- (d) On April 18, 2023, Highview granted an unauthorized \$1,945,000 mortgage to 2515792 Ontario Inc.

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28. In addition, between April 2022 and March 2023, the Defendants in this action were involved in a cheque-kiting scheme that defrauded The Toronto-Dominion Bank (“**TD**”) of over \$37 million.

29. On March 24, 2023, TD commenced an action against the Stateview Defendants, Carlo, Dino, Melissa, Nelda and certain related individuals and affiliated companies (collectively, the “**TD Defendants**”) to recover the \$37 million it was defrauded of as a result of the cheque-kiting scheme.

30. None of the TD Defendants filed a defence to the allegations. Rather, on March 31, 2023, some of the TD Defendants entered into a settlement agreement with TD (the “**Settlement Agreement**”). Daniel, Melissa and Nelda were not part of the Settlement Agreement.

31. As part of the Settlement Agreement, the settling defendants, which included the Stateview Defendants, Carlo and Dino, admitted their joint and several liability to TD arising from the cheque-kiting scheme. However, they contend that Daniel was responsible for the scheme.

32. The Settlement Agreement contemplated the full repayment of the \$37 million over a 3-month period, including a \$3.150 million “administration fee” upon the issuance of a court order implementing the agreement. As security, TD was granted, and subsequently registered, mortgages over the real property owned by some of the Stateview Defendants, including Bea Towns, Nao Towns II, Highview and Elm.

33. On April 4, 2023, the Court issued an order that, *inter alia*, approved the implementation of the Settlement Agreement.

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34. Due to their significant pre-existing financial challenges and liquidity constraints, which had been temporarily concealed by the illicit activities described above, TD's action and subsequent settlement of same practically guaranteed the inability of the Stateview Defendants to fulfill their then-looming payment obligations to existing creditors.

35. In April 2023, the Stateview Defendants failed to make scheduled payments to their creditors.

c. The Receivership Proceedings

36. In April and May 2023, following the missed payments, the discovery of the unauthorized mortgages and the involvement of the Stateview Defendants in the cheque-kiting fraud, certain senior secured creditors applied to appoint a receiver over the Stateview Defendants. The Court granted these requests on May 2, 2023, and May 18, 2023 (the “**Receivership Proceedings**”).

37. Construction for most of the Projects had not yet begun by the time the Receivership Proceedings were commenced. As of May 30, 2023, the respective statuses of the Projects were as follows:

Project	Address	Status
Minu Towns	9940 Ninth Line, Markham	Raw land
Nao Towns	5112, 5122, 5248 14th Avenue, Markham	Raw land
Nao Towns II	7810, 7822, 7834, 7846, McCowan Road, Markham	Raw land
Nashville (Highview)	89, 99 Nashville Road, Kleinberg,	Raw land
BEA Towns	189 Summerset Drive, Barrie	Raw land
Elm	12942 York Durham Line, Stouffville	Raw land
High Crown	13151 – 13161 Keele Street, King City	Under construction, approximately 30% complete
On the Mark	16 th Avenue and Woodbine Avenue, Markham	Under construction, approximately 90% complete

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38. According to the First Report, representatives of the Stateview Defendants have advised that all of the Deposit Funds, \$77,322,000 in total, have been depleted.

39. The Deposit Funds have been depleted notwithstanding that six of the eight Projects were not developed whatsoever, and a seventh Project, that of High Crown, was only 30% complete by the time of the Receivership Proceedings.

40. As of May 30, 2023, the Receiver has not conducted a tracing exercise in respect of the Deposit Funds.

41. The Receiver intends to divest the assets of the Stateview Defendants in accordance with various court-approved sale processes. It is anticipated that, with the sole exception of On the Mark, the Purchase Agreements will be disclaimed and the proceeds from these sales will be insufficient to fully reimburse the Proposed Class of their deposits, given their status as unsecured creditors within the Receivership Proceedings.

42. In the specific case of On the Mark, the Project was 90% complete by the time of the Receiver's appointment, with 38 out of 70 units closed in accordance with the Purchase Agreements. Out of the remaining 32 units, 30 of the homebuyers will have the option to close their Purchase Agreements by agreeing to pay an additional \$100,000 towards the purchase price alongside other "non-substantive" changes (as described by the Receiver). If these 30 homebuyers do not agree to the changes, their respective Purchase Agreements will be disclaimed, resulting in forfeiture of their deposits.

43. Melissa and Nelda are the two On the Mark Homebuyers who were not given the option to close their Purchase Agreement with On the Mark. On July 18, 2023, Melissa and Nelda filed a

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motion record opposing their exclusion from the option of closing their Purchase Agreements on the same terms as the other On the Mark homebuyers. Melissa and Nelda subsequently dropped their opposition to the transaction.

44. On September 14, 2023, the Court approved the sale of On the Mark's assets to 2077060 Ontario Inc. and the resulting disclamation of its Purchase Agreements with Melissa and Nelda. In addition, On the Mark was assigned into bankruptcy, with the Receiver appointed its trustee.

45. The Receivership Proceedings have uncovered instances of the Stateview Defendants illicitly and improperly redirecting funds from their designated purposes. This includes, but is not limited to, Minu Towns, Nao Towns, On the Mark, and High Crown diverting, for an unknown purpose, funds that were earmarked by their lenders for the payment of development charges to the City of Markham and Township of King.

d. The Plaintiff's Dealings with Highview

46. On January 15, 2021, the Plaintiff entered into a Purchase Agreement with Highview for a pre-construction unit located at 99 Nashville Road. The purchase price was \$1,548,990, with a \$150,000 deposit to be made in three installments of \$50,000, all of which were duly paid by the Plaintiff. The move-in date was scheduled for June 22, 2023.

47. The Purchase Agreement is replete with descriptions of the unit as a condominium and references to the Condominium Act, including, without limitation:

- (a) On page 1 of the Purchase Agreement, it specifies, "*[t]he Offer shall be irrevocable by the Purchaser until one minute before midnight on the tenth date after its date,*

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after which time if not accepted, this offer will be null and void and deposit returned to the Purchaser, without interest or deduction, except as required under the Condominium Act, S.O. 1998, C19, the regulations thereunder and any amendments thereto (the "Act");

- (b) On page 11, the definition of "Act" reads "*...the Condominium Act, S.O. 1998, C. 19, the regulations thereunder and any amendments thereto*";
- (c) On page 12, it is stated that the offer contained therein is "*conditional upon the Vendor obtaining...registration of a related common elements corporation under the Act*";
- (d) On page 29, the Schedule "CEC" contains several references to the "Condominium", "Condominium Documents", "Condominium Corporation" and "Creating Documents" (i.e., the declaration and description);
- (e) On page 29, the Schedule "CEC" stipulates the manner in which the Plaintiff is expected to make payments to the CEC for her share of the common elements expenses;
- (f) On page 29, the Schedule "CEC" specifies that "*interest on unpaid portion of the purchase price to be established pursuant to the occupancy provisions of the Act for a standard condominium*";
- (g) On page 31, the Schedule "R" contains several references to the "Condominium Corporation" and/or "York Region Common Elements Corporation No. ___"; and

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(h) On page 32, the disclosures listed therein align with the disclosure requirements set out under the Condominium Act, including the Disclosure Statement, proposed Declaration for the condominium, Sections 73 and 74 of the Condominium Act, and a site plan delineating the common elements.

48. All the Purchase Agreements contain the same or substantially similar references to condominiums and the Condominium Act.

49. Highview never fulfilled its contractual obligation to incorporate a CEC Corporation.

50. Hidden at page 28 of the Purchase Agreement is a singular provision stipulating that a mere \$2 out of the \$1,548,990 purchase price was to be paid towards the common interest of the condominium, with none of the deposit monies allocated for this purpose. All the Purchase Agreements contain language that is the same or substantially similar to this clause.

e. The Deposit Funds were Subject to a Statutory Trust and/or Resulting Trust

51. The Condominium Act is consumer protection legislation intended to be interpreted generously in favour of purchasers of interests in condominiums. These purchasers are often negotiating from a significant informational and power disadvantage vis-à-vis condominium vendors, making them susceptible to exploitation. As such, the fundamental purpose of the Condominium Act is to safeguard purchasers and to establish a fair balance of rights between them and vendors. The imminent financial losses facing the Proposed Class offers a compelling illustration of this jeopardy.

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52. Section 81 of the Condominium Act stipulates that deposits paid towards the purchase price for condominium units are to be held in trust, including that which is paid towards pre-construction units. Deposits are expected to accumulate interest while held in trust by a trustee of a “prescribed class” under the Condominium Act. Money held in trust under the Condominium Act can only be released upon the purchaser receiving registrable title or a developer posting full security for the amounts to be withdrawn from trust.

53. In the specific case of CECs, the Condominium Act stipulates that deposits paid towards the common interest in the CEC are to be held in trust under s. 81, whereas the amounts paid towards the freehold aspect are not statutorily required to be held in trust.

54. As described above, the Purchase Agreement furtively stipulates that a mere \$2 of the \$1,548,990 purchase price is allocated to the common interest in the CEC, and that no portion of the deposit is designated for same (the “**Impugned Clause**”).

55. There is no commercial justification to support the valuation of the common interest in the CEC as worth only 0.0000013% of the overall unit price.

56. The Impugned Clause, strategically inserted by the Stateview Defendants, Carlo, Dino and/or Daniel, lacks any credible commercial justification and was specifically intended to defeat the protections conferred by the Condominium Act, including the requirement that the Deposit Funds be held in trust.

57. The Impugned Clause is void, voidable, null or otherwise unenforceable in law for breaching public policy and being contrary to the essence of the Condominium Act as consumer protection legislation.

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58. The Deposit Funds are deemed to have been paid towards the common interest in the CECs and held in trust provision by operation of s. 81 of the Condominium Act.

59. The Stateview Defendants were under a corresponding statutory obligation to ensure the Deposits Funds were held in trust by a trustee of a prescribed class under the Condominium Act, leaving the Proposed Class as the beneficial owners of the Deposit Funds.

60. In addition, and/or in the alternative, s.78(1)(3) of the Condominium Act imputes an implied covenant into all purchase agreements that monies collected by a declarant (in this case, the Stateview Defendants) from purchasers (the Proposed Class) on behalf of the corporation (the CEC Corporation) are held in trust.

61. The Plaintiff's deposit, and the Deposit Funds generally, were collected by the Stateview Defendants on behalf of CEC Corporations that were yet to be incorporated at the time of the Purchase Agreements.

62. The Stateview Defendants never incorporated the CEC Corporations, except for On The Mark (registered as York Region Common Elements Condominium Corporation No. 1497), causing the statutory trust over the Deposit Funds prescribed by s.78(1)(3) to fail. As such, the Stateview Defendants are deemed to have held the Deposit Funds for the benefit of the Proposed Class by way of a resulting trust.

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III. LIABILITY OF THE DEFENDANTS

a. Stateview Defendants

i. Breach of statutory trust and/or resulting trust

63. The Stateview Defendants breached their statutory trust and/or resulting trust obligations by:

- (a) failing to ensure a trustee of a “prescribed class” under the Condominium Act held the Deposit Funds;
- (b) failing to meet the standard of care in the management of the Deposit Funds, including not ensuring interest was accrued;
- (c) failing to maintain accurate and up-to-date bookkeeping in respect of the Deposit Funds;
- (d) using the Deposit Funds to:
 - (i) finance real estate development activities in connection with the Projects; and/or
 - (ii) make improper or illegitimate purchases unrelated to the Projects; and/or
- (e) such further acts or omissions, the particulars of which are within the sole knowledge and control of the Defendants.

ii. Breach of fiduciary duty

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64. The Stateview Defendants were trustees of the Deposit Funds held under a statutory and/or resulting trust for the benefit of the Proposed Class.

65. The Stateview Defendants were in a special relationship with the Proposed Class and/or otherwise owed a fiduciary duty to them, namely that of trustee-beneficiary.

66. In addition, as developers of the Projects, the Stateview Defendants were in a fiduciary relationship with the Proposed Class in respect of the Projects, independent of the duties imposed by their role as trustees of a statutory trust and/or resulting trust. The bases for this secondary source of fiduciary duty includes, but is not limited to, the following:

- (a) the Stateview Defendants exercised a significant degree of power and control over the Proposed Class by virtue of being in complete control over the development of the Projects, the Deposit Funds, and the title of land to be conveyed to the Proposed Class upon the closing of the Purchase Agreements;
- (b) the power and discretion of the Stateview Defendants directly impacted the legal rights and practical rights of the Proposed Class, namely their interests in the units;
and
- (c) the Proposed Class was vulnerable to the discretion and power of the Stateview Defendants with no knowledge, influence or control over the status of the Projects or Deposit Funds.

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67. The Stateview Defendants breached their fiduciary duties by acting dishonestly, in bad faith and/or otherwise failing to prioritize the interests of the Proposed Class, including, without limitation:

- (a) failing to adhere to the statutory trust requirements imposed by the Condominium Act;
- (b) making unauthorized transactions with the Deposit Funds, such as:
 - (i) using amounts earmarked for a specific Project to finance the activities of other Projects; and
 - (ii) improper and illegitimate purchases unrelated to the Projects;
- (c) actively concealing and/or failing to disclose the details of these unauthorized transactions to the Proposed Class;
- (d) failing to ensure the unauthorized transactions were in the best interest of the Proposed Class;
- (e) engaging in self-dealing;
- (f) failing to address conflicts of interests;
- (g) failing to maintain adequate insurance for the Projects;
- (h) overleveraging the Projects and using the Deposit Funds to secure excessive loans that could not be repaid through the ordinary course of business;

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- (i) failing to disclose material information to the Proposed Class, including the financial challenges that threatened the viability of the Projects;
- (j) prioritizing the interests of other stakeholders in the Projects, including their own;
- (k) participating in the cheque-kiting fraud against TD; and
- (l) such further acts or omissions, the particulars of which are within the sole knowledge and control of the Defendants.

iii. Fraudulent and/or Negligent Misrepresentation

68. The Stateview Defendants were in a special relationship with the Proposed Class based upon their superior relative experience and expertise in real estate development and/or positions as trustees and fiduciaries.

69. The Stateview Defendants, intentionally or negligently made several material misrepresentations, which the Proposed Class relied upon to their detriment when entering into the Purchase Agreements and thereafter. Examples include:

- (a) that the CEC Corporations would be incorporated within a reasonable period of time after execution of the Purchase Agreements;
- (b) that construction would begin for the Projects within a reasonable period of time after execution of the Purchase Agreements;
- (c) that the units would be ready for occupancy based upon the contracted occupation date;

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- (d) the Proposed Class would be protected by the Condominium Act, including that the Deposit Funds would be held in trust; and
- (e) in the alternative to paragraph 69(d), that the Deposit Funds would go towards the individual Project class members were buying into, rather than be used to cover the costs for other Projects and/or misappropriated for purposes wholly unrelated to the Projects.

iv. Oppression

70. Under the Condominium Act and the Purchase Agreements, the Stateview Defendants were obligated to refund the Deposit Funds should the contracts be terminated or otherwise fail to close.

71. Pursuant to the Purchase Agreement, failure of the Stateview Defendants to incorporate a CEC Corporation results in the termination of the contract and return of the homebuyer deposits.

72. The Purchase Agreements have been terminated, or will soon be terminated as a result of the Receivership Proceedings. It is not expected that the Deposit Funds will be repaid in full to the Proposed Class by the conclusion of the Receivership Proceedings.

73. The Proposed Class has a claim against the Stateview Defendants for, at a minimum, the return of their Deposit Funds. As creditors of the Stateview Defendants, the Proposed Class has standing to claim oppression under s. 245 of the OBCA.

74. The reasonable expectations of the Proposed Class include, but are not limited to, the following:

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- (a) the Stateview Defendants would adhere to their legal obligations under the Condominium Act;
- (b) the Stateview Defendants would honour the understandings and expectations they created and encouraged in relation to the Deposit Funds
- (c) the Stateview Defendants would manage the development of the Projects in accordance with general commercial practice;
- (d) the Stateview Defendants would not deplete its reservoir of funds and other exigible assets for insufficient consideration;
- (e) the directors and officers of the Stateview Defendants would manage the affairs of the corporations in accordance with their legal obligations, namely, to act honestly and in good faith in the best interests of the corporation and to exercise the diligence expected of a reasonably prudent person; and
- (f) the Stateview Defendants would not be used as a vehicle for fraud.

75. The conduct of the Stateview Defendants leading up to the Receivership Proceedings was oppressive, unfairly prejudicial and/or unfairly disregarded the reasonable expectations of the Proposed Class. Such conduct includes, without limitation:

- (a) misappropriating the Deposit Funds, and funds extended by various lenders, for unauthorized transactions unrelated to the purposes for which they were granted, causing the failure of the Projects and subsequent insolvencies;

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- (b) Carlo, Dino and Daniel failing to discharge their directorial responsibilities by prioritizing their own personal interests above that of the Stateview Defendants, causing the Stateview Defendants to become insolvent;
- (c) Carlo, Dino and Daniel failing to exercise the diligence of a reasonably prudent person in their management of the Projects, causing the failure of same;
- (d) the Stateview Defendants failing to adhere to their statutory responsibilities under the Condominium Act;
- (e) failing to adhere to their contractual obligations to their creditors by secretly granting unauthorized charges to the properties owned by the Stateview Defendants; and
- (f) participating in the illegal and criminal cheque-kiting fraud against TD.

76. The misconduct described in the foregoing paragraph constitutes a marked departure from general commercial practice and could not have been foreseen by the Proposed Class.

v. Negligence

77. The Stateview Defendants owed a duty of care to the Proposed Class. The Stateview Defendants breached the standard of care through the mismanagement of the Projects and custodianship of the Deposit Funds, resulting in their insolvencies and the expected loss of the Deposit Funds.

vi. Breach of Contract

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78. The Purchase Agreements were for residential units that were expected to be developed and ready for occupation in accordance with the various move-in dates stipulated in the agreements.

79. The Purchase Agreements have been fundamentally breached by the Stateview Defendants as a result of the Receivership Proceedings, which were brought about as a direct consequence of their own misconduct.

80. Many of the Purchase Agreements are expected to be disclaimed by whoever ultimately purchases the properties of the Stateview Defendants and/or revised such that members of the Proposed Class will have to pay a premium to ensure their agreements are not disclaimed.

81. The Proposed Class is entitled to expectation damages that compensates individual class members for the rise in the value of the units had they been constructed and conveyed to the Proposed Class in accordance with the Purchase Agreements.

82. The aggregate amount of the increase in value for all of the units sold by the Stateview Defendants to members of the Proposed Class is currently estimated to be \$229,500,000.

b. Carlo, Dino and Daniel

i. Knowing assistance, knowing receipt and unjust enrichment

83. At all material times, Carlo, Dino and Daniel were the directors and officers of the Stateview Defendants. Carlo, Dino and Daniel had direct knowledge of the fiduciary duties owed by the Stateview Defendants to the Proposed Class.

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84. Carlo, Dino and Daniel, or any of them assisted in the Stateview Defendants' dishonest and/or fraudulent breach of their fiduciary duties by authorizing or otherwise causing the Stateview Defendants to carry out the conduct described in paragraph 67.

85. In addition, the Stateview Defendants advanced some or all of the Deposit Funds to the personal accounts of Carlo, Dino and Daniel, which they used for their own personal benefit. Carlo, Dino and Daniel had actual knowledge or constructive knowledge that such funds originated from a fraudulent misappropriation of trust property.

86. Carlo, Dino and Daniel were unjustly enriched by the fraudulent misappropriation of the Deposit Funds described in the foregoing paragraph. This resulted in a corresponding deprivation the Proposed Class. There is no juristic reason for their enrichment.

ii. Oppression

87. The oppressive conduct of the Stateview Defendants described in paragraph 75 is attributable to the action or inaction of Carlo, Dino and Daniel. Carlo, Dino and Daniel, or any of them, caused or permitted the Stateview Defendants to carry out conduct that was oppressive, unfairly prejudicial, or unfairly disregarded the reasonable expectations of the Proposed Class.

88. Carlo, Dino and Daniel, or any of them, acted in bad faith and received personal benefits from the oppressive conduct of the Stateview Defendants.

iii. Negligence

89. Carlo, Dino and Daniel directly oversaw the day-to-day activities of each of the Stateview Defendants, up to and including the collapse of the Projects and subsequent insolvencies.

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90. Carlo, Dino and Daniel were intimately involved with each aspect of the Projects and managed them in a manner that fell significantly below the expected standard of care and/or industry practice. Examples of such negligence include:

- (a) failing to ensure the Deposit Funds were held by a trustee of a “prescribed class” under the Condominium Act;
- (b) failing to incorporate the CEC Corporations in accordance with the Condominium Act and Purchase Agreements;
- (c) failing to maintain requisite insurance policies for the Projects;
- (d) overleveraging the Projects with debts they could not sustain; and
- (e) mismanaging and misusing the funds held by the Stateview Defendants.

91. The mismanagement of the Projects was so severe that, despite the Stateview Defendants having received millions of dollars from both the Proposed Class and various creditors, construction for six of the eight Projects had not yet started by the time of the Receivership Proceedings. Moreover, a seventh Project was only 30% complete.

92. The Stateview Defendants became insolvent as a direct consequence of the negligence of Carlo, Dino and Daniel in managing the Projects, resulting in the expected loss of the Deposit Funds.

93. In addition, in the specific case of Carlo and Dino, they assert that Daniel was the one responsible for the cheque-kiting fraud committed against TD. In other words, Carlo and Dino

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claim that they had no knowledge of the fact that the sole other director of the Stateview Defendants was using corporate accounts to perpetrate a \$37 million fraud spanning nearly a year.

94. Carlo and Dino are liable for negligence on this basis alone, as the cheque-kiting fraud caused or materially contributed to the insolvencies of the Stateview Defendants and expected loss of the Deposit Funds. Carlo and Dino had a duty to be aware of the business and finances of the companies and to prevent illicit activity by their fellow director. However, they failed to conduct an enquiry into the illicit and negligent conduct.

c. Melissa, Nelda and Stephanie

i. Knowing assistance, knowing receipt and unjust enrichment

95. At all material times, Melissa, Nelda and Stephanie were the spouses of Carlo, Dino, and Daniel, respectively, the directors and officers of the Stateview Defendants. As a result of this relationship, Melissa, Nelda and Stephanie had direct knowledge of the fiduciary duties owed by the Stateview Defendants to the Proposed Class.

96. Melissa, Nelda and Stephanie, or any of them, played an important role in facilitating the Stateview Defendants' dishonest and/or fraudulent violation of their fiduciary duties. Melissa, Nelda and Stephanie, or any of them, conspired with their spouses to strategically induce the Stateview Defendants to breach their fiduciary duties in the manner described in paragraph 67. This involvement encompassed permitting the Stateview Defendants to utilize their personal accounts and accounts linked to companies under their control to divert funds, including the Deposit Funds, away from the Stateview Defendants' accounts.

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97. Melissa, Nelda and Stephanie, or any of them had actual knowledge or constructive knowledge that such advances came from a fraudulent misappropriation of trust property. Despite possessing actual or constructive knowledge of the source of the funds, Melissa, Nelda and Stephanie, or any of them, failed to conduct an inquiry into the origins of same.

98. Melissa, Nelda and Stephanie were unjustly enriched by the fraudulent misappropriation of the Deposit Funds. This resulted in a corresponding deprivation the Proposed Class. There is no juristic reason for their enrichment.

**IV. CHARGING ORDER/EQUITABLE LIEN, CONSTRUCTIVE TRUST,
CERTIFICATE OF PENDING LITIGATION AND TRACING REMEDY**

99. The Proposed Class is entitled to a charge and/or equitable lien over all of the property of the Stateview Defendants to be ranked in accordance with the priorities listed in paragraph 1(c), as security for the Deposit Funds that were to be held in trust and/or a remedy for breach of trust, breach of fiduciary duty and/or oppression. In addition, or in the alternative, the Proposed Class is entitled to a constructive trust over the property of the Stateview Defendants as a remedy for breach of trust, breach of fiduciary duty and/or oppression.

100. The Proposed Class is entitled to a charge and/or equitable lien over all of the property of the individual and unknown Defendants as security for the Deposit Funds that were to be held in trust and/or a remedy as a remedy for knowing assistance, knowing receipt, unjust enrichment and/or oppression. In addition, or in the alternative, the Proposed Class is entitled to a constructive trust over the property of the individual and unknown Defendants as a remedy for knowing assistance, knowing receipt, unjust enrichment and/or oppression.

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101. The charge and/or equitable lien over the property of the individual Defendants applies to the real property located at 48 Puccini Drive, Richmond Hill, Ontario, Canada L4E 2Y6 and 48a Puccini Drive, Richmond Hill, Ontario, Canada L4E 2Y6, with the following legal description: Part L5 25 PL M807, Part 2, 65R-37960. By operation of the claim for a charge and/or equitable lien, the Proposed Class has an interest in this real property, entitling it to a CPL until the claim is resolved.

102. Further, the Proposed Class is entitled to a tracing remedy in respect of the Deposit Funds, including into any derivative products obtained from them.

(Date of issue)

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DHARMI MEHTA
Plaintiff

-and-

STATEVIEW HOMES (BEA TOWNS) INC. et al.
Defendants

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

STATEMENT OF CLAIM

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Appendix “J”

Court File No. CV-23-00698395-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

ATRIUM MORTGAGE INVESTMENT CORPORATION AND DORR
CAPITAL CORPORATION

Applicant

and

STATEVIEW HOMES (NAO TOWNS II) INC.

Respondent

**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C 1985, C. B-3, AS AMENDED, AND
SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990, C. C.43, AS
AMENDED**

NOTICE OF CROSS-MOTION

Dharmi Mehta ("**Dharmi**") will make a cross-motion to a Judge presiding over the Commercial List on Thursday, February 15, 2024 at 10:00 a.m., or as soon after that time as the cross-motion can be heard.

PROPOSED METHOD OF HEARING: The cross-motion is to be heard via remote videoconference.

THE MOTION IS FOR:

- (a) A declaration that the deposits paid by homebuyers to the Stateview companies corresponding to the percentage value of the parcel of tied land (the “**Common Interest**”) for each of the projects is subject to a statutory trust in favour of the purchasers (the “**Trust Portion**”) pursuant to sections 81 and 138(4)(a) of the *Condominium Act, 1998*, S.O. 1998, C. 19 (the “*Condominium Act*”);
- (b) An order requiring the receiver and manager, KSV Restructuring Inc. (the “**Receiver**”) to hold back payment of the Trust Portion, currently estimated to be 20% of the total deposits paid by the homebuyers, pending the valuation of the Trust Portion by the Receiver, from the sale proceeds;
- (c) An order directing the Receiver to value the Trust Portion for each of the projects and report to the court on the total amount of the Trust Portion for all projects, pursuant to section 248 of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3, as amended (the “**BIA**”);
- (d) An order requiring the Receiver to trace the deposit monies and report to the court on the percentage of those monies that were used to directly or indirectly purchase, design, construct or improve the real property sold, or expected to be sold, within these receivership proceedings, pursuant to section 248 of the *BIA*;
- (e) An order directing the Receiver to provide counsel to a related class action, bearing court file no. CV-23-00706866-00CP (the “**Class Action**”), or their experts, with access to the books and records of the Stateview companies;

- (f) Costs of this motion on a substantial indemnity basis; and
- (g) such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE CROSS-MOTION ARE

- (a) Dharmi is the proposed representative plaintiff for the Class Action, having paid a \$150,000 deposit towards a pre-construction unit from Highview Building Corp Inc.;
- (b) Jennifer Sitt (“**Jennifer**”) is one of the 76 purchasers of units Stateview Homes (Nao Phase II) Inc. and is a member of the proposed class action commenced by Dharmi;
- (c) Jennifer, like each of the 766 homebuyers currently known to the Receiver, paid a deposit towards pre-construction units sold by the Stateview companies, which were organized as common elements condominiums;
- (d) Jennifer paid a \$116,950 deposit towards her specific unit;
- (e) At least \$77,287,000 in deposits were paid to the Stateview companies generally, with \$7,617,000 of that amount paid to Stateview Homes (Nao Towns II) Inc.;
- (f) It is currently estimated, pending a formal valuation by the Receiver, that 20% of those deposits were earmarked for the Common Elements of each project, or \$15,457,400 generally and \$1,523,400 for Stateview Homes (Nao Towns II) Inc. specifically;

- (g) Pursuant to sections 81 and 138(4)(a) of the *Condominium Act*, deposits that are paid towards the common element portion of a common element condominium are required to be held in trust by the vendor of the units;
- (h) Each of the agreements of purchase and sale explicitly provides that the *Condominium Act* applies to the transaction;
- (i) On September 28, 2023, a class action was commenced on behalf of homebuyers who paid deposits to the Stateview companies, seeking, *inter alia*, the declaratory and trust-based relief sought in this cross-motion (the “**Condo Act Claims**”);
- (j) The Receiver had notice of the relief sought in the Class Action and previously advised the Court, in its materials on a motion returnable on November 14, 2023 before the Honourable Justice Peter Osborne, that it may need to hold back a certain amount of sale proceeds to satisfy the Condo Act Claims;
- (k) On January 23, 2024, the Receiver advised that it intends to distribute all of the sale proceeds to secured creditors without regard to the Condo Act Claims;
- (l) On January 30, 2024, the Receiver advised of its intention to seek approval from this Honourable Court to distribute the proceeds obtained from the sale of real property owned by Stateview Homes (Nao Towns II) Inc.;
- (m) The Receiver owes a duty to the court and to the creditor class to provide a complete and accurate account of all the claims, including and specifically trust claims, made

against the Stateview companies, pursuant to its obligation under sections 246 and 247 of the BIA;

- (n) The Condo Act Claims are *bona fide* claims for a statutory trust under the *Condominium Act*, and as such, the Receiver has a legal duty to value same;
- (o) Trust monies that were held, or supposed to be held, by the Stateview companies are not property of the estate and therefore cannot be form part of the payout to the secured creditors;
- (p) To ensure that no trust monies are improperly disbursed to secured creditors, the Receiver must trace them;
- (q) Sections 246, 247 and 248 of the *BIA*;
- (r) Sections 1, 81 and 138(4)(a) of the *Condominium Act*; and
- (s) Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the cross-motion:

- (a) The Statement of Claim in relation to the Class Action, issued on September 28, 2023;
- (b) The Affidavit of Jennifer Sitt; and

- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

February 9, 2024

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Lawyers for Dharmi Mehta

TO: THE SERVICE LIST

Court File No. CV-23-00698395-00CL

ATRIUM MORTGAGE INVESTMENT CORP et al and
Applicant

STATEVIEW HOMES (NAO TOWNS II) INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

NOTICE OF CROSS-MOTION

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Lawyers for Dharmi Mehta

Appendix “K”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) THURSDAY, THE 15TH
JUSTICE BLACK) DAY OF FEBRUARY, 2024
)

B E T W E E N :

**ATRIUM MORTGAGE INVESTMENT CORPORATION AND DORR CAPITAL
CORPORATION**

Plaintiffs

- AND -

STATEVIEW HOMES (NAO TOWNS II) INC., DINO TAURASI, and CARLO TAURASI

Defendants

ANCILLARY RELIEF ORDER

THIS MOTION, made by KSV Restructuring Inc. (“KSV”) in its capacity as the Court-appointed receiver and manager (in such capacity, the “Receiver”) without security, of the property, assets and undertakings of Stateview Homes (NAO Towns II) Inc. (the “Debtor”), pursuant to the Order of this Court dated May 2, 2023 (the “Receivership Order”), for an order, among other things: (i) approving the Seventh Report of the Receiver dated February 7, 2024 (the “Seventh Report”) and the Receiver’s conduct and activities described therein; (ii) approving the fees and disbursements of the Receiver, as set out in the affidavit of Robert Kofman sworn February 7, 2024 and of the Receiver’s counsel, Paliare Roland Rosenberg Rothstein LLP (“Paliare Roland”), as set out in the Affidavit of Beatrice Loschiavo sworn February 5, 2024; and (iii) authorizing and directing the Receiver to make certain payments and distributions and

establish, hold and maintain certain reserves as recommended and described in the Seventh Report, was heard this day by judicial videoconference via Zoom in Toronto, Ontario.

ON READING the Notice of Motion of the Receiver, the Seventh Report and the Appendices thereto, and on hearing the submissions of counsel for the Receiver, and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Alexciya Blair sworn February 6, 2024.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Agreement of Purchase and Sale between the Receiver and 1000707996 Ontario Inc. (the “**Purchaser**”) dated November 29, 2023, and amended on January 17, 2024, attached at Appendix “I” to the Seventh Report (as amended, the “**APS**”), as applicable.

APPROVAL OF RECEIVER’S REPORTS, FEES AND COSTS

3. **THIS COURT ORDERS** that the Seventh Report, and the activities of the Receiver described therein are hereby approved provided that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that Confidential Appendices 1 and 2 to the Seventh Report be and are hereby sealed until the closing of the sale of the Purchased Assets (as defined in the Seventh Report).
5. **THIS COURT ORDERS** that the fees and disbursements of the Receiver from the commencement of the receivership to and including January 31, 2024, as set out in the Affidavit of Robert Kofman sworn February 7, 2024 and attached at Appendix “O” to the Seventh Report, be and are hereby approved.
6. **THIS COURT ORDERS** that the fees and disbursements of Paliare Roland from the commencement of the receivership proceeding to and including January 31, 2024, as set out in the Affidavit of Beatrice Loschiavo sworn February 5, 2024 and attached at Appendix “P” to the Seventh Report, be and are hereby approved.

TERMINATION AND DISCLAIMER OF PRE-SALE PURCHASE AGREEMENTS

7. **THIS COURT ORDERS** that the Receiver’s termination and disclaimer (or intended termination and disclaimer, as the case may be) of any or all agreements of purchase and sale entered into between the Debtor (or any other parties related to the Debtor) and any third parties in respect of residential homes built or to be built on the Real Property is hereby approved.

RESERVE

8. **THIS COURT ORDERS** that the Receiver is authorized and directed to establish, hold and maintain reserves from the proceeds of the Transaction (the “**Purchase Proceeds**”) in the amount of:

- (a) \$100,000 on account of additional fees, disbursements and costs of the Receiver and its counsel in connection with the Debtor (the “**Professional Fee Holdback**”);
- (b) \$6,836.84 on account of a *Construction Act* lien asserted by GEI Consultants Inc. (the “**Lien Holdback**”), to be distributed by the Receiver upon the resolution of GEI Consultants Inc.’s claim or upon further order of this Court; and
- (c) \$1,523,400 on account of claims asserted by Dharmi Mehta (the “**Mehta Claim**”) in their capacity as proposed representative plaintiff of a class proceeding (the “**Class Action Holdback**”), provided that the Class Action Holdback is without prejudice to any party’s position regarding the Mehta Claim.

INITIAL DISTRIBUTION

9. **THIS COURT ORDERS** that the Receiver is authorized and directed to distribute the Purchase Proceeds to Atrium Mortgage Investment Corporation and Dorr Capital Corporation (together, the “**Lenders**”) as partial payment of the balance owing by the Debtor to the Lenders less: (i) the unpaid professional fees described in the Seventh Report; (ii) the Professional Fee Holdback, (iii) the Lien Holdback, and (iv) the Class Action Holdback.

SUBSEQUENT DISTRIBUTIONS

10. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to make subsequent distributions to the Lenders out of the Professional Fee Holdback (to the extent not utilized to pay fees, disbursements and costs of the Receiver and its counsel in connection with the Debtor), the Lien Holdback (upon resolution of GEI Consultants Inc.’s claim or upon further order of this Court), the Class Action Holdback (upon further order of this Court) or from any other recoveries by the Receiver in respect of the Property up to the amount of indebtedness owing by the Debtor to the Lenders.

GENERAL

11. **THIS COURT ORDERS** that notwithstanding anything else contained in this Order, each of the payments and distributions provided for in this Order shall be made free and clear of all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Steele dated May 2, 2023; and (ii) all charges security interests, liens, trusts, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property or real property registry system.
12. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.
13. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such application; and

(c) any assignment in bankruptcy made in respect of the Debtor;

any payment or distributions made pursuant to this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

14. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its respective agents in carrying out the terms of this Order.

16. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

A handwritten signature in blue ink, appearing to read "W. Black", is written above a horizontal line.

Justice Black

ATRIUM MORTGAGE INVESTMENT CORP et al.
Plaintiffs

STATEVIEW HOMES (NAO II) INC. et al.
Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

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SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-23-00698395-00CL

DATE: Thurs. Feb. 15th, 2024

REGISTRAR: Debbie DaCosta

NO. ON LIST: 1@10am

TITLE OF PROCEEDING: **ATRIUM MORTGAGE INVESTMENT
CORPORATION ET. AL. v STATEVIEW HOMES (NAO TOWNS
II) INC. ET. AL.**

BEFORE Justice: **Black**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
David Sterns	For Class Action Plaintiff's	dsterns@sotos.ca
Denna Jalili	For Class Action Plaintiff's	Djalili@sotos.ca
George Benchetrit	For Atrium (Plaintiff's)	george@chaitons.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
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Jordan Wong	KSV	jwong@ksvadvisory.com
Charles Haworth	CSL for GEI Consultants Lien Claimant	chaworth@rhlawoffices.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
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Jeff Larry	Counsel for Receiver	jeff.larry@paliareroland.com

Adam Slavens for Tarion Warranty	Counsel for Tarion Warranty	aslavens@torrys.com
Wojtek Jaskiewicz		
Tony Ciccone	Purchaser NAO II	tciccone@rogers.com

ENDORSEMENT OF JUSTICE:

- [1] This matter was scheduled before me for consideration and approval of the Receiver’s Seventh Report, for an Approval and Vesting Order relative to an agreement of purchase and sale between the Receiver, as vendor, and 1000707996 Ontario Inc. as purchaser (the “Agreement”), and for various related relief, including a sealing Order with respect to confidential appendices to the Receiver’s Seventh Report, and approval of the Receiver’s fees and that of its counsel.
- [2] Late in the afternoon of the day before the motion was heard, I received materials from counsel on behalf of a putative class of homebuyers (the “Class”) in a class action against the directors and officers of the Stateview corporations.
- [3] The materials consisted of the Class’ cross-motion record, and a factum in support of that motion. In simple terms, the Class claims a trust-based priority over certain funds advanced by homebuyers by way of deposits.
- [4] In its materials in support of the relief sought before me today, the Receiver had referred to and described the Class and its position, and had advised that, in the Receiver’s view, the claims asserted by the Class are materially identical to claims asserted by Tarion Warranty Corporation (“Tarion”), which claims were dismissed by Steele J. on December 22, 2023 (the “Tarion Decision”). As a result, the Receiver in its factum described the purported trust claims by the Class as “meritless”, and that therefore there is “no basis to delay the proposed distributions on account of the trust claims asserted in the Proposed Class Action.”
- [5] In fairness, the Receiver in its factum does not fully engage with all of the arguments set out in the factum on behalf of the Class, including for example arguments about trusts arising under the *Condominium Act*, and about the appropriate treatment of deposits relative to common areas.
- [6] That is presumably because the Receiver, like the Court, did not receive the Class’ materials until the afternoon before the motion.
- [7] In the result, the arguments advanced by the Class go beyond, and more in depth, than what the Receiver anticipated (or could have anticipated) in its factum.
- [8] In the circumstances, in my view, a fuller record or at least fulsome arguments on both sides is required, and so we discussed a way of dealing with the Class’ cross-motion on an expedited basis.
- [9] There was some passing debate about whether or not the issues raised in the Class’ factum, and in particular the question of whether or not its positions on the issues are foreclosed by the Tarion Decision, is properly described as a “threshold issue”. In my view the nomenclature is not significant, and I confirm that there is no intent to formally bifurcate. The idea is to address the Class’ positions, and the result will have an impact on next steps in the receivership.

- [10] In terms of the schedule, we have agreed on a date for the return of the (cross)motion for half a day on March 5, 2024. The hearing will be in person.
- [11] In the meantime, the Receiver's counsel will advise by Tuesday February 20, 2024, whether or not the Receiver will file any responding materials (to the Class' cross-motion) and, if so, will deliver any such materials by Friday, February 23, 2024. If the Class wishes to file reply materials, it is to do so by February 28, 2024. The Receiver will file its factum by March 1, 2024. If there are any procedural concerns arising, I may be reached via my judicial assistant (lorie.waltenbury@ontario.ca) or, since Ms. Waltenbury will be away in the near term, via Roxanne.johnson@ontario.ca). If there are any such concerns, we can convene a conference (via Zoom) early in a day.
- [12] I am also granting the approval and vesting Order sought by the Receiver relative to the agreement of purchase and sale referred to above, the sealing Order, and the Ancillary Orders, with the proviso that, to account for the value of the claim that the putative class asserts should be held back from the proceeds of sale pursuant to the Agreement, an additional hold-back of \$1,523,000.00 should be included.
- [13] Subject to that additional hold-back there is no opposition to the relief sought by the Receiver, and no basis not to grant that Relief.
- [14] Accordingly, subject to the minor revisions discussed (and now incorporated by the Receiver within the Orders), Orders are to issue as sought by the Receiver.



W.D. Black J.

Appendix “L”



SUPERIOR COURT OF JUSTICE

ENDORSEMENT

COURT FILE NO.: CV-23-00698395-00CL DATE: March 5, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: **ATRIUM MORTGAGE INVESTMENT CORPORATION et al v. STATEVIEW HOMES (NAO TOWNS II) INC. et al**

BEFORE: **Justice Black**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
George Benchetrit	Atrium Mortgage Investment Corp. and Dorr Capital Corporation	george@chaitons.com

Other:

Name of Person Appearing	Name of Party	Contact Info
David Sterns	Dharmi Mehta	djalili@sotos.ca
Denna Jalili		dsterns@sotos.ca
Jeff Larry	Receiver	jeff.larry@paliareroland.com

ENDORSEMENT OF JUSTICE BLACK:

[1] This matter was before me on February 15, 2024. At that time, for the reasons set out in my endorsement of that date, I granted the AVO and Ancillary Relief Orders sought by the receiver, KSV Restructuring Inc. (“KSV”), subject to an additional holdback of \$1,523,000.00, and adjourned the balance of the receiver’s motion and the cross-motion on behalf of the putative class.

[2] The amount of the additional holdback that I ordered at that juncture was based on the putative class’ assertion that an amount equivalent to 20% of deposits was warranted and was before KSV had had an opportunity to respond to the putative class’ position in a fulsome way.

[3] The parties filed supplementary materials and factums in anticipation of the hearing scheduled for today (March 5, 2024).

[4] Within those materials, there was a disconnect evident. That is, the receiver KSV, in its materials, was clearly advancing arguments specifically in relation to the receivership at hand – the so-called NAO II project – whereas the putative class was making arguments with broader application, encompassing a number of other projects of Stateview Homes, in which other receiverships are underway and at various stages.

[5] Counsel clarified the disconnect at the outset of the hearing before me. That is, in what counsel for KSV accepts, as do I, was an innocent and honest misunderstanding, counsel for the putative class had the impression that by serving the receiver in the NAO II matter, he would effectively be providing notice to all interested parties.

[6] This was clearly not the case, as counsel for the putative class had come to recognize by the time the matter came before me today.

[7] In the circumstances, given his wish to make arguments that potentially impact other Stateview projects and other parties, and given that those parties had no notice of the cross-motion or today's attendance, he was seeking an adjournment of today's motion.

[8] Counsel for the Receiver, joined by counsel for Atrium Mortgage Investment Corporation (the "Lender"), submitted that today's motion could nonetheless proceed, inasmuch as the issues to be argued in this motion are referable to this specific receivership, and any decision could then be taken into account, if apt, in the motion relative to the other Stateview receiverships.

[9] In the alternative, it was the position of both KSV and the Lender that the court need not wait to make a determination about the appropriate (reduced) amount of holdback for the benefit of homeowners in the putative class. As set out in the supplementary materials and factum filed by KSV, KSV asserts that, based on further investigation since the attendance before me on February 15, 2024, KSV has concluded that, taking into account amounts expected to be paid by Tarion Warranty Corporation ("Tarion") to the homeowners pursuant to the *Ontario New Home Warranties Plan Act* ("ONHWP"), the amount of the potential shortfall can be no more than \$37,191.65.

[10] It therefore argues, as its alternative position, that I should set that reduced amount as the holdback amount. It then argues that, if that is the appropriate amount to hold back, it makes little sense for the parties to spend their time and resources on arguing the full 3-hour motion scheduled before me today.

[11] Counsel for the putative class argues that it makes no sense to proceed with the full cross-motion today, in that the argument is constructed to have application to the full array of Stateview receiverships. Given that, owing to his misunderstanding, parties potentially impacted by the full sweep of his argument are not present (or otherwise on notice) he maintains that as a practical matter it would make no sense for the matter to be heard today (and then to have to repeat many or most of the same arguments on another day with the full collection of potentially impacted parties present).

[12] To that extent, I agree, and I decided to adjourn the bulk of the motion and cross-motion to another day (about which more below).

[13] However, I asked for his submissions as well relative to the substantially reduced hold back amount for which KSV and the Lender now contend.

[14] In response, counsel for the putative class essentially made two submissions.

[15] First, consistent with the position articulated in his factum, he argued that Tarion has not yet paid the vast majority of the homeowners in the NAO II matter, such that Tarion's subrogation rights and obligations have largely not yet been triggered.

[16] He asserted that therefore, combined with recent well-publicized suggestions that Tarion's resources to pay claims are currently stretched, there is no certainty about the amounts to be paid by Tarion here.

[17] Counsel opposite responded that, acknowledging that for certain technical reasons the homeowners' claims to Tarion in relation to the NAO II project had been delayed, Tarion argued the motion before Steele J. in this matter (*KingSett Mortgage Corp. v. Stateview Homes (Minu Towns) Inc.*, 2023 ONSC 7105) on the basis that it accepted its obligation to pay homeowner claims (subject to Her Honour's decision in that motion).

[18] Having read Steele J.'s decision, I believe that that characterization is apt. It appears evident that Tarion was seeking clarification of its obligations in the specific circumstances animating the motion. There is no suggestion that Tarion was taking issue with its obligations generally, nor of its ability to fulfil those obligations if Her Honour found against Tarion (as she ultimately did).

[19] Counsel for the putative class also argued that, in accordance with an argument of general application that he will make when all potentially affected parties are present, the creditors, including the Lender, have no right to the deposit funds, which are impressed with a trust in favour of the homeowners.

[20] I will not comment on that argument at this point; the court should wait to hear full argument on all sides, based on a full record, before venturing any view on that issue.

[21] However, I do not view that argument as particularly impacting the question of the appropriate hold back in the context of the matter before me.

[22] That is, assuming that Tarion is prepared to meet its obligations relative to the homeowners' claims in the NAO II matter, then whatever the fate of the deposit funds once the court decides on the trust-based and related arguments that the putative class proposes to make, the NAO II homeowners, assuming as I do that Tarion will honour their claims, will still only be out of pocket to the extent of the modest amount in excess of the \$100,000.00 maximum amount that Tarion will be called upon to pay in most instances here.

[23] Counsel for the putative class cautioned that Tarion may decline to accept and pay the full amount claimed in each case. If that is so, I expect it will be on the basis that Tarion is not satisfied that the full amount has been proved or is otherwise appropriate in those instances, and that the homeowners' recourse, in that hypothetical scenario, will be against Tarion and within the ONWHP process.

[24] I am advised and accept for current purposes that the shortfall amount in other Stateview receiverships may be larger, and that therefore the contested amounts in those other receiverships will be more than de minimus. That does not change the relevant calculus for homeowners in the NAO II context and does not impact my determination about the appropriate hold back amount in this setting.

[25] In the absence of specific competing evidence about the holdback amounts, I find that reducing the holdback amount to \$37,195.65 is appropriate here.

[26] I had advised the parties before me that I would give further consideration to the amount of the holdback and would release a decision (this decision) on that score. I suggested to counsel for KSV that, if the figure proved (as it has) to be the de minimus amount for which KSV (and the Lender) argued, it may impact on his determination as to whether or not to participate in the larger hearing to be convened.

[27] He pointed out in response that he is in fact counsel for KSV in its capacity as receiver in some of the other Stateview receiverships, and so will be present in any event.

[28] It remains to schedule that motion.

[29] Counsel suggested, and I accept, that the parties before me can discuss what procedures will be required, and a realistic timetable, to identify and notify all necessary parties (potentially impacted by the putative class' motion) and to account for any additional materials to be filed. They suggest that once they have done so, or while that is underway, it would be appropriate to convene a case conference before me to confirm the steps to be taken and the timing for those steps.

[30] Accordingly, counsel will arrange a case conference before me at the appropriate point in the coming days or weeks.

[31] I should deal with two remaining stray points.

[32] First, notwithstanding the frank acknowledgement by counsel for the putative class that he misunderstood the need to serve all interested parties such that the need for an adjournment was entirely his responsibility, opposing counsel graciously advised that, given that they accept that this was an honest mistake, they would not be seeking costs of today. Accordingly, I make no order as to costs.

[33] Second, counsel for the putative class asked me to confirm in my decision that the basis for this decision did not and does not reflect any finding about the dispute between the parties as to the extent of the common areas at the NAO II project. I confirm that I have made no determination in that regard, and as I conveyed to the parties, the evidence before me would not have allowed the court to make a finding on that issue.

[34] That said, my decision about the appropriate hold back amount is on the basis set out above, and no determination about the contested extent of the common areas would enter into or impact my decision in that regard.

[35] The parties advised that they are content if I hear the full motion to be argued by the putative class. While I am not seized of the matter, I am prepared to hear that motion if the timing works out to permit that to happen. In the meantime, as noted above, I am certainly prepared to preside over the proposed case conference to be convened in the near term.

J. BLACK

Appendix “M”



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE NO.: CV-23-00698395-00CL

DATE: Tuesday March 12, 2024

REGISTRAR: _____

NO. ON LIST: _____

TITLE OF PROCEEDING: **ATRIUM MORTGAGE INVESTMENT
CORPORATION ET. AL. v STATEVIEW HOMES (NAO TOWNS
II) INC. ET. AL.**

BEFORE Justice: **Black**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
David Sterns	For Class Action Plaintiff's	dsterns@sotos.ca
Denna Jalili	For Class Action Plaintiff's	Djalili@sotos.ca
George Benchetrit	For Atrium (Plaintiff's)	george@chaitons.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info
Bobby Kofman	KSV	bkofman@ksvadvisory.com
Jordan Wong	KSV	jwong@ksvadvisory.com
Charles Haworth	CSL for GEI Consultants Lien Claimant	chaworth@rhlawoffices.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Daniel Rosenbluth	Counsel For Receiver	daniel.rosenbluth@paliareroland.com
Jeff Larry	Counsel for Receiver	jeff.larry@paliareroland.com

Adam Slavens for Tarion Warranty	Counsel for Tarion Warranty	aslavens@torys.com
Wojtek Jaskiewicz		
Tony Ciccone	Purchaser NAO II	tciccone@rogers.com

SUPPLEMENTARY ENDORSEMENT OF JUSTICE BLACK:

- [1] Following my endorsement in this matter on March 5, 2024, there was a disagreement between the parties concerning the appropriate language, flowing from my endorsement, in paragraph 4 of the “Second Distribution Order.”
- [2] Specifically, there is a debate about whether or not the payments (arising from the reduced holdback contemplated in my March 5 endorsement) should be made “free and clear” of the “trusts or deemed trusts” for which the putative class argues.
- [3] In my view, as set out in paragraphs 21 and 22 of my endorsement, no trust or deemed trust will or should impact the homeowners’ claims in this NAO II matter, and so I confirm the language in the Receiver’s version of the paragraph better reflects my intention.
- [4] The language in paragraph 20 of my endorsement, to which counsel for the putative class points, is intended to confirm that I have not decided the issue as to the existence and application of trust claims in the other ongoing receiverships, which remain to be adjudicated.”



W.D. Black J.

Appendix “N”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE
JUSTICE BLACK

)
)
)

TUESDAY, THE 5TH
DAY OF MARCH, 2024

B E T W E E N :

**ATRIUM MORTGAGE INVESTMENT CORPORATION AND DORR CAPITAL
CORPORATION**

Plaintiffs

- AND -

STATEVIEW HOMES (NAO TOWNS II) INC., DINO TAURASI, and CARLO TAURASI

Defendants

SECOND DISTRIBUTION ORDER

THIS MOTION, made by KSV Restructuring Inc. (“KSV”) in its capacity as the Court-appointed receiver and manager (in such capacity, the “**Receiver**”) without security, of the property, assets and undertakings of Stateview Homes (NAO Towns II) Inc. (the “**Debtor**”), pursuant to the Order of this Court dated May 2, 2023 (the “**Receivership Order**”), for an order, among other things: (i) approving the Seventh Report of the Receiver dated February 7, 2024 and the supplement thereto dated February 23, 2024 (collectively, the “**Seventh Report**”) and the Receiver’s conduct and activities described therein; (ii) approving the fees and disbursements of the Receiver, as set out in the affidavit of Robert Kofman sworn February 7, 2024 and of the Receiver’s counsel, Paliare Roland Rosenberg Rothstein LLP (“**Paliare Roland**”), as set out in the Affidavit of Beatrice Loschiavo sworn February 5, 2024; and (iii) authorizing and directing

the Receiver to make certain payments and distributions and establish, hold and maintain certain reserves as recommended and described in the Seventh Report, was heard on February 15, 2024 by judicial videoconference via Zoom in Toronto, Ontario. For the reasons set out in the endorsement of the same date, an order was made on that day (the “**Ancillary Relief Order**”) which granted some of the foregoing relief on terms while certain of the foregoing matters were adjourned and were heard this day at the courthouse at 330 University Avenue, Toronto.

ON READING the materials filed by the Receiver and by Dharmi Mehta, and on hearing the submissions of counsel for the Receiver and counsel for Dharmi Mehta, and the other parties listed on the counsel slip, no one appearing for any other party although duly served,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

RESERVE

2. **THIS COURT ORDERS** that the quantum of the Class Action Holdback (as defined in the Ancillary Relief Order) shall be reduced from \$1,523,400 to \$37,191.65, with the difference in the two sums being the “**Holdback Reduction Amount**”.

SECOND DISTRIBUTION

3. **THIS COURT ORDERS** that the Receiver is authorized and directed to distribute up to the full amount of the Holdback Reduction Amount to Atrium Mortgage Investment Corporation and Dorr Capital Corporation (together, the “**Lenders**”) as partial payment of the balance owing by the Debtor to the Lenders.

GENERAL

4. **THIS COURT ORDERS** that notwithstanding anything else contained in this Order, the payments and distributions provided for in this Order shall be made free and clear of all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Steele dated May 2, 2023; and (ii) all charges security interests, liens, trusts, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property or real property registry system.
5. **THIS COURT ORDERS** that the Receiver or any other person facilitating payments and distributions pursuant to this Order shall be entitled to deduct and withhold from any such payment or distribution such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts

are so withheld or deducted and remitted to the appropriate governmental authority or other person entitled thereto, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such application; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

any payment or distributions made pursuant to this Order are final and irreversible and shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the Receiver and its respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its respective agents in carrying out the terms of this Order.
9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.



Justice W.D. Black

ATRIUM MORTGAGE INVESTMENT CORP et al.
Plaintiffs

STATEVIEW HOMES (NAO II) INC. et al.
Defendants

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ORDER

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Lawyers for the Receiver

Appendix “O”



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-23-698576-00CL
CV-23-698632-00CL
CV-23-698395-00CL
CV-23-699067-00CL
CV-23-698637-00CL

DATE: April 2, 2024

NO. ON LIST: 5-9

TITLE OF PROCEEDING: KINGSETT MORTGAGE CORPORATION AND
DORR CAPITAL CORPORATION
v.
STATEVIEW HOMES et al

BEFORE JUSTICE: W.D. BLACK J.

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
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Chad Kopach	Dorr Capital in the Highview	ckopach@blaney.com
George Benchetrit	Atrium Mortgage Investment Corporation	george@chaitons.com

For Defendant, Respondent, Responding Party, Defence:

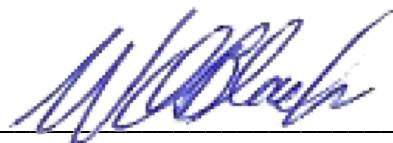
For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Dan Rosenbluth Jeff Larry	KSV Restructuring (Receiver)	daniel.rosenbluth@paliarerland.com jeff.larry@paliarerland.com
Alan Merskey	The Receiver	amerskey@cassels.com

ENDORSEMENT OF JUSTICE BLACK:

- [1] The parties were before me for another case conference in this matter, in which I have recently presided over a motion and most recently a case conference on March 14, 2024.
- [2] The Proposed Class seeks (and sought on March 14) to schedule its motion for an adjudication of the homebuyers' purported statutory trust claims under the *Condominium Act* (the "Full Motion").
- [3] The original hearing of the Full Motion was adjourned to ensure that all potentially interested parties were duly served and on notice.
- [4] At the March 14 case conference, at which the Proposed Class had intended to schedule a hearing date for the Full Motion, counsel for the Receiver (in two of the projects at issue), sought an adjournment, to which all parties ultimately agreed, to allow the Receiver to consider its position relative to the valuation sought by the Proposed Class as part of the relief in the Full Motion. Counsel for the Receiver also mentioned the possibility of a motion for security for costs.
- [5] At the case conference today, counsel for the Receiver advised that the Receiver does intend to bring a motion for security for costs, and a second motion (the "Threshold Motion"), for a threshold determination as to whether the Proposed Class should be permitted to pursue its motion against those estates in which funds have already been distributed, pursuant to a Distribution Order (in each case), containing provisions (the "Free and Clear Provisions"), providing that the distribution is "free and clear" of various interests including deemed trusts (whether contractual, statutory or otherwise).
- [6] During the discussion at the case conference, the possibility was raised that the need for a security for costs motion might be obviated if counsel for the Proposed Class were to give an undertaking to pay to the responding parties any costs that may be awarded by the Court against the proposed representative plaintiff (consistent with an indemnity routinely given by counsel in the class action setting).
- [7] At the conclusion of the case conference, it was agreed that, with respect to that issue, counsel for the Proposed Class would consider his position regarding the suggested undertaking, and would advise the parties and the court of his conclusion within the next couple of days.
- [8] Counsel in fact wrote to the court the next day, April 3, 2024, and advised that, "solely to avoid the cost and delay inherent in a security for costs motion", the law firm (Sotos LLP) "undertakes to pay directly to the responding parties any costs that are awarded by the court against [the representative plaintiff] following the outcome of her motion currently before the court, after the determination of any appeal therefrom".
- [9] That leaves the question of the Threshold Motion, and whether or not it should proceed separately from and in advance of the Full Motion.
- [10] The Receiver argues that a determination of the effect of the completion of distribution of funds in the context of the Free and Clear Provisions, by way of the Threshold Motion, will address an important and free-standing issue, which, if the Receiver is successful, will obviate the need for the Receiver potentially to tender valuation evidence and other evidence on behalf of estates in which there are no longer any funds (two of the four estates at issue).
- [11] The Receiver also argues that the Full Motion represents a collateral attack on the Receivership.

- [12] The Proposed Class characterizes the Threshold Motion as a further attempt by the Receiver to “bifurcate” the proceedings. It argues that it is more efficient for the court to first adjudicate the merits of the Proposed Class’ trust claim under the *Condominium Act* – i.e., to decide the Full Motion – before considering whether the Free and Clear Provisions constitute a valid defence to the putative trust claims in the Full Motion.
- [13] It argues that the Receiver distributed funds prematurely, and in the face of an explicit query from Osborne J., earlier on in these proceedings, as to whether the Receiver might need to hold back amounts to deal with the claims now embodied in the Full Motion.
- [14] Finally, the Proposed Class asserts that there is urgency to hear the Full Motion, inasmuch as there is a case conference scheduled before Morgan J. on June 27, 2024, to determine next steps in the class action.
- [15] I am hard-pressed to see urgency to determine the trust claims simply on the basis that there is a case conference scheduled in the class action in late June.
- [16] Moreover, I expect that the almost three months between now and then should be sufficient for a determination of the Threshold Motion and the Full Motion.
- [17] I also see benefit in the Threshold Motion being adjudicated on its own, before the hearing of the Full Motion.
- [18] The outcome of the Threshold Motion will clarify and potentially streamline the issues to be addressed at the Full Motion. It will likely determine the number of parties (at least in terms of estates) properly the subject of the Full Motion, and, inasmuch as the court will necessarily determine the effect of the Free and Clear Provisions, it will narrow and inform the argument at the Full Motion on that important issue as well.
- [19] I am also persuaded that the potential savings of time and resources to the Receiver and two or more of the estates at issue, justifies addressing the Threshold Motion as an initial matter.
- [20] As such, I direct the parties to discuss and agree on a timetable and return date for the Threshold Motion, between now and May 24. The parties may also provisionally schedule the return date for the Full Motion between May 24 and the end of June.



W.D. BLACK J.

DATE: April 9, 2024

IN THE MATTER OF THE RECEIVERSHIP OF STATEVIEW HOMES (MINU TOWNS) INC., STATEVIEW HOMES (NAO TOWNS) INC., STATEVIEW HOMES (NAO TOWNS II) INC., STATEVIEW HOMES (ON THE MARK) INC., TLSFD TAURASI HOLDINGS CORP., STATEVIEW HOMES (HIGH CROWN ESTATES) INC., HIGHVIEW BUILDING CORP INC., STATEVIEW HOMES (BEA TOWNS) INC., AND STATEVIEW HOMES (ELM&CO) INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**TENTH REPORT OF KSV RESTRUCTURING INC. IN ITS CAPACITY AS
RECEIVER AND MANAGER OF STATEVIEW HOMES (MINU TOWNS) INC., et al**

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